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29 APRIL 1986

Southeast Asia Report

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SOUTHEAST ASIA REPORT

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INDONESIA

MOKHTAR COMMENTS ON CGDK 8-POINT PROPOSAL

BK040959 Jakarta ANTARA in English 0944 GMT 4 Apr 86

[Text] Jakarta, 4 April (ANTARA)--Foreign Minister Mokhtar Kusumaatmaja said he will be in Bangkok on 10 April for a meeting with his Thai counterpart, Sitthi Sawetsila on various latest developments, particularly the 8-point proposal of the Coalition Government of Democratic Kampuchea (CGDK).

Speaking at a press conference here Friday, Mokhtar said Indonesia and Thailand have welcomed the proposal of the CGDK presented by its president, Prince Norodom Sihanouk last month.

The proposal included the readiness of the CGDK for talks with the Vietnamese-backed Heng Samrin regime in Phnom Penh to form a coalition government, and the withdrawal in two stages of the Vietnamese troops from Kampuchea.

Mokhtar said the proposal was a good one because ASEAN has always been pushing the Khmer people to play an active part in the peaceful solution of the Kampuchean problem. "This is their problem, and we only try to help them find a way out," he added.

He was of the view that the important thing in the 8-point proposal was the fact that the Khmer Rouge who had always rejected a national reconciliation, now supported the idea.

Besides, the announcement of the proposal in Beijing could be said to mean that the Chinese no longer posed an obstacle to peaceful solution of the Kampuchean issue, he added. The proposal, he said, also proved that China constituted an important but not a decisive element.

Such a rapid development had taken place so that China recognized the fact that the Khmer Rouge in its old form was no longer acceptable, he said. "So the element, wished for by the Vietnamese, has been fulfilled and for this reason I say that the Vietnamese rejection of the CGDK proposal is not yet final," he added.

The 8 point proposal of the CGDK is currently being discussed by the CGDK and ASEAN high officials in Manila.

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CSO: 4200/887

INDONESIA

PRESIDING JUDGES POSTPONE TRIAL OF ANTI-SUHARTO PLOTTER

BK080323 Hong Kong AFP in English 0316 GMT 8 Apr 86

[Text] Jakarta, 8 April (AFP)--An ex-minister scheduled to be tried Tuesday on charges of having plotted to assassinate Indonesian President Suharto has been given one week to appoint a defence lawyer.

The retired civil servant, Mohamad Sanusi, 65, appeared in Jakarta Central District Court where, after three minutes, presiding judges said the case would be postponed until the defendant had found himself a defence lawyer.

According to prosecution documents made available to the press, Mr Sanusi, a former light industries minister, is to be charged with involvement in at least two plots hatched between 1981 and 1983 to kill the Indonesian president.

The defendant is already serving a 19-year sentence on charges of having financed bombing in downtown Jakarta which left two dead in 1984. He has consistently proclaimed his innocence of those charges.

Eyewitnesses at the court said Mr Sanusi, who wore a traditional brown patterned batik shirt, appeared healthy but thin. They said a small crowd at the court included members of Mr Sanusi's family, and former Jakarta government Ali Sadikin, who like Mr Sanusi is a member of the dissident group of 50.

The group, branded by the government as composed of disgruntled has-beens seeking to return to power, is composed largely of retired military officers and ex-civil servants who criticize government policies through letters to Parliament.

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CSO: 4200/887

INDONESIA

GOVERNMENT URGED TO MAKE CEMENT MORE COMPETITIVE

Jakarta ANTARA NEWS BULLETIN in English 21 Mar 86 p A4

[Text]

Jakarta, March 21 (ANTARA).- The government has been called on to take immediate steps to promote the competitiveness of Indonesia's cement on the international market, especially in view of the competition from Japan, South Korea, and Taiwan.

The urge was voiced by the Chairman of the Indonesian Cement Association (ASI), Ibrahim Risjad, who is also the director of the Indo-cement Group, here Friday.

Indonesia is in no position to compete with Japan, South Korea and Taiwan in cement production because the plants in the three countries are run on coal, not on the costlier fuel oil as in Indonesia. The other unfavourable factors prevailing in Indonesia include the relatively high bank interest rates and transportation costs, in addition to inadequate port facilities.

Indocement Group in 1985 managed only to export 500,000 tons of the targeted 1.3 million tons, he said.

With a view to minimizing production costs, several major cement plants in Indonesia will start using coal as from March 24, 1986.

Indonesian cement is exported to Singapore, India, Bangladesh, Sri Lanka, Papua New Guinea, Pakistan, Hongkong and Brunei. Bangladesh is at present the best cement market in the world, to which Indonesia exports a monthly average of 100,000 tons year.

The cement sales to Bangladesh normally take place with assistance from the Islamic Development Bank. Cement purchases by Bangladesh with Islamic Development Bank assistance are mainly linked with Indonesia because the country is a cement-producing ICO (Islamic Conference Organization) member. Bangladesh is also an ICO member country.

Exports to PRC

Indonesia has a wide opportunity to export her cement to the PRC as this country consumes vast quantities of the building material for development purposes.

Indocement Group signed an agreement with the PRC some time ago for the shipment of 250,000 tons of cement in the near future.

In this context, the president of the Chinese Commission for Promotion of International Trade (CCPIT), Wang Yaoting, came to Indonesia some time ago and visited the Indo cement plant in Cipinong, West Java. He was confident Indonesia was able to fulfil the Chinese request.

Indo cement Group's present output stands at 7.5 million tons per annum, and 60% of which is for the domestic market.

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CSO: 4200/901

INDONESIA

PROPOSED DOMESTIC FUEL PRICE CUT DISCUSSED

Jakarta BUSINESS NEWS in English 21 Mar 86 p 2

[Text]

An MP has for some time now suggested to lower prices fuel oils (BBM) in line with the crude oil price slump abroad; this problem has become a topic which seems to draw sufficient attention. Several private national businessmen, including Probosutedjo, Ir. Siswono Yudohusodo and Tanri Abeng, have also voiced their views about this question. The three private national entrepreneurs do not agree to the proposal for BBM price reduction, but on the other hand suggest that the PLN electricity subscription rates be lowered. We ourselves are inclined to share the opinion of the three businessmen.

After the drastic crude oil price drop on the spot market, some countries have indeed reduced their domestic prices of oil products, including Singapore and later also the Philippines. Especially with regard to Singapore, various moves have recently been taken to relieve the business sector of its burden following the economic stagnation in that country. Tax rates are lowered, and different costs that have to be spent by the business sector are abolished or at least cut down. The Philippines under the administration of newly installed President Corazon Aquino also has to strive to set the economy, left in chaos by the Marcos regime, in motion, among others because an estimated billions of dollars of the wealth of the Philippine people has reportedly been made the private property of Marcos and his group.

For Indonesia the problem is entirely different. Crude oil constitutes a dominant resource in the country's economy, through the state budget (APBN) as well as the balance of payments. Therefore the crude oil price slump on the export market

means a heavy blow to our economy. The government has to seek other sources of finance to offset the setbacks in APBN revenue and foreign exchange originally derived from the oil/gas sector. In fact, such new sources of finance are not easy to find, and so far it has been anticipated that APBN-1986/87 — let alone its realisation later on — will be far smaller than APBN-1985/86.

The item of BBM subsidies can still be found in APBN-1986/87. According to Minister/Chairman of Bappenas Dr. Sumarlin, the uncertainty that keeps on engulfing the oil price problem abroad makes it difficult for the government to make definite calculations, among others about the presence or absence of the chance to lower BBM prices.

Another aspect also deserving attention is that the reduction of BBM prices will cause domestic BBM consumption to rise again, with a double consequence that can be most vulnerable. Firstly, the oil left for exports will naturally be increasingly shrinking, so that foreign exchange as well as APBN receipts from the oil sector will accordingly be reduced. On the other hand, BBM subsidies will be bigger than in the case if BBM prices are not lowered. And finally we also have to take care of the virtually almost inevitable possibility that the BBM price reduction — especially as far as it concerns kerosene — will make the people shift from the use of non-oil energy sources again to oil. The effort to promote energy diversification will thus be reversed. For various industries, modifications in the construction of combustion equipment also will have to be made in order to enable the use of more oil products receiving biggest subsidies. Hence the demand for BBM will increase beyond proper proportions, so that the pressure on APBN as well as the balance of payments will be even graver.

In view of these considerations, we are more inclined to support the lowering of electricity subscription rates. These rates in Indonesia belong to the highest in the world, and its rating system is generally also opposed to the direction of production and development promotion. Inefficiency within the PLN is thus imposed on all its subscribers, including industries which would become more competitive if the electricity fees were more reasonable.

The monopolistic position held by the PLN in the transmission and sale of electric power has even prevented several agencies which would have been

able to sell electricity at low rates to certain regions, from granting such advantage to the regions concerned. The most well known case is the Asahan Project, which still produces surplus electric power that can be used by its surrounding region at low fees as a token of gratitude to the region for the opportunity given to obtain the power by exploiting the river of Asahan. Several other projects are in the same position, but they are required to leave their power distribution/sales to the PLN at expensive rates.

How much longer will the population be sacrificed to support such outstanding inefficiency ?

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CSO: 4200/901

INDONESIA

ASEAN FERTILIZER PLANT'S EXPORTS UP, PROFIT DOWN

Jakarta BUSINESS NEWS in English 21 Mar 86 p 4

[Text]

PT ASEAN Aceh Fertilizer, which has so far been exporting urea fertilizer to three ASEAN countries, namely Thailand, Malaysia and the Philippines, has begun exporting its product to non-ASEAN countries such as India, the United States & South America, since Malaysia has started to produce fertilizer.

The supply of fertilizer from PT ASEAN Aceh Fertilizer to importers abroad reached 233,500 tons in 1985, showing a sharp increase over 192,435 tons in the previous year.

President Director of PT AAF Rachman Subandhi stated that the company had up to the end of February 1986 still gained profits. Last year the profit gained by the company totalled over Rp 5 billion, indicating a decline compared with the profit it recorded in 1984.

The marketing of Indonesian fertilizer on the local and foreign markets is undertaken by PT PUSRI. But PT AAF has been allowed to manage its fertilizer exports at the price level prevailing on the international market.

The price of urea on the international market fell from US\$ 170/ton at the beginning of 1985 to US\$ 90/ton at the end of the year. By selling its urea at a price of US\$ 90/ton, PT AAF still gains profits.

The average price of urea on the export market in 1985 ranged between US\$ 120 and US\$ 125 per ton, while in January

and February 1986 it dropped to only US\$ 85/ton.

The fall in the prices of fertilizer on the world market is due to the imbalance between the supply and demand, according to Rachman Subandhi. To cope with the declining export earnings, PT AAF is currently stepping up efficiency and productivity.

PT AAF started its commercial operation in early 1984 with a total investment amounting to over US\$ 410 million. For the production of fertilizer, the plant needs around 11,000 MMSCF of natural gas/year. The company still has ; on plan to expand its production capacity.

The latest data show the counter purchase contracts for the supply of goods to the Indonesian Government, involving 23 countries, had up to the end of December 1985 reached US\$ 1,510,666,984.61.

West Germany was still the biggest supplier of goods involved in the counter purchase contracts at the end of 1985. The supply of goods by West German suppliers to the Indonesian Government had till the end of 1985 reached 74%.

Canada ranked second with supply reaching 72% of the value of contract, followed by Japan which has fulfilled 64% of its counter purchase contract.

The Indonesian Government has implemented the counter purchase system since 1982 as part of the effort to promote exports of commodities other than oil and natural gas. Foreign exporters involved in the counter purchase contracts have the obligation to supply goods/equipment needed by the Indonesia Government, besides buying Indonesian non-oil/gas commodities.

Two of the 23 countries involved in the counter purchase contracts, namely Mexico and Yugoslavia, have not started the supply of goods to the Indonesian Government based on the contracts.

Indonesian non-oil/gas commodities which have been/will be exported under the counter purchase contracts are, among others : rubber, latex cream, resin, sawn

timber, plywood, veneer, railway sleepers, rice bran, molasses, coffee, powdered black tea, cacao, ethyl alcohol, maize, cashewnut, black pepper, palmoil, palm stearine, fresh shrimp, cod-liver oil, frog leg, polyester cotton, woven clothes, apparel, rattan products, quartz sand, nickel matte, aluminium ingot, aluminium alloy bar, iron ore, copper concentrate, coal, urea, TSP fertilizer, DAP fertilizer, jellyfish, ammonia, cotton grey shirting, frozen squid, iron bar, tin, and ginger.

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CSO: 4200/901

INDONESIA

EQUAL TREATMENT FOR PROSPECTIVE INVESTORS CITED

Jakarta ANTARA NEWS BULLETIN in English 23 Mar 86 p A5

[Text]

Jakarta, March 23 (ANTARA).- The government does not discriminate would be investors who will make investment in Indonesia. Would be investors from West European countries and from socialist countries in East Europe have the same chance to invest their capital in this country.

Chairman of the Investment Coordinating Board (BKPM) Ginanjar Kartasasmita stated this here Saturday when he received a delegation of the Indonesian Chamber of Commerce & Industry (Kadin) headed by Kadin Chairman Sukamdani Sahid Gitosardjono.

The Kadin delegation met Ginanjar, who is concurrently junior minister for promotion of the use of domestic products, in connection with its forthcoming visit to six Socialist countries in the beginning of April 1986.

He admitted that a tight scrutiny used to be required for every would be investor from East European socialist countries. But at present the regulation has been loosened to give greater opportunity to would be investors from that region to invest capital in Indonesia, he added.

Would be investors from East European Socialist countries who are interested in making investment in Indonesia should invest their capital in production sectors which need minimum after sale service such as the sector of basic materials production, Ginanjar suggested.

To encourage capital investment in Indonesia, the government has taken several steps, such as the implementation of the Presidential Instruction (Inpres) No. 4/1985, the simplification of licensing procedures and the extension of low interest export credits of foreign investors, he explained.

He expressed the hope that during the visit to East Europe the Kadin delegation would be able to explain to would be investors in that region that Indonesia was one of countries which had comparative advantage.

In this context, he mentioned the availability of abundant raw/basic materials in Indonesia, political and economic stability, and a big population which made Indonesia a potential market for various products.

He pointed out that Indonesia adopts the open foreign exchange system. This means that capital which has been invested in Indonesia can be transferred to the originating countries, he added.

He also asked the Kadin delegation to explain to would be investors in East Europe that the Indonesian Government gave protection to investors who were operating in Indonesia.

During the visit to the six East European countries, namely Yugoslavia, Hungary Bulgaria, Romania, Poland and Czechoslovakia, the Kadin delegation will launch a promotion campaign to attract would be investors in those countries to make investment in Indonesia.

The tour of East Europe is also aimed at stepping up economic and trade cooperation between Indonesia and the six Socialist countries, according to Sukamdani. He reported on the occasion that the Kadin delegation would consist of 40 businessmen.

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CSO: 4200/901

INDONESIA

OTHER COUNTRIES' OPERATIONS IN EEZ CONSIDERED

Jakarta BUSINESS NEWS in English 24 Mar 86 p 3

[Text]

Indonesia, in an attempt at exploiting the marine resources in the Exclusive Economic Zone is considering the possibility of allowing United States & Taiwanese fishing companies to operate in the area, the Department of Agriculture disclosed here.

It was hoped that in making up its mind the Indonesian government would not take too much time, so that preliminary steps could be taken.

United States fishing companies will operate in the EEZ part of the Indonesian Ocean, while the Taiwanese in the eastern sector of the EEZ.

The talks on the fishing operations constituted the first phase of the exploitation of the fishery potentials in the waters.

If several foreign businesses start operations in the preliminary stage, the fishing companies from other countries would normally follow suit.

A Romanian business company has expressed interest in the project, but it said it would do so in a joint venture with a local company. The Indonesian Government is seriously considering the Romanian interest.

The exploitation of the fishery potentials in the Indonesian EEZ by foreign companies is actually in agreement with International Law of the Sea. Under international law, any country still unable to make use of the marine potentials of their

waters shall open its waters to fishing operations by other countries.

As the capacity of Indonesia's fishing companies has not developed properly, the government should allow the fishing companies of other countries to operate in the EEZ.

In this context, the government will impose charges on the foreign vessels operating in the EEZ.

The potentials in the EEZ include tuna and skipjack.

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CSO: 4200/901

INDONESIA

EXPORTS TO WEST GERMANY INCREASE

Jakarta BUSINESS NEWS in English 26 Mar 86 p 4

[Text]

West Germany's imports from Indonesia reached in 1985 a value of more than 1.1 billion D-Mark which means an increase of 43% compared with German imports from Indonesia in the preceding year.

In the same period the value of Germany's exports to Indonesia fell by 20% to 1.7 billion D-Mark, reducing the surplus in the trade balance in favour of West Germany from more than 1.3 billion D-Mark in 1984 to less than 600 Mio. D-Mark in 1985.

According to data, the Indonesian-German Economic Association (Ekonid) received from the Federal Bureau of Statistics in Wiesbaden/West Germany the sharp increase of German imports from Indonesia is mainly based on considerably higher imports of agricultural products & a greater variety of industrial goods.

For example the value of German cacao imports from Indonesia rose by 46% to 77 million D-Mark, of coffee by 47% to 103 million D-Mark, of specis by 28% to 34 million D-Mark and of edible oils and fats even by 126 percent to 101 million D-Mark.

West German imports of timber, plywood and other wood products from Indonesia rose to a value of 62 million D-Mark, of technical oils and fats to 104 million D-Mark, of garments to 46 million D-mark and of electrotechnical goods to 27 million D-Mark.

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CSO: 4200/901

INDONESIA

GDR AMBASSADOR DISCUSSES ECONOMIC MATTERS WITH DEPUTY SPEAKER

Jakarta ANTARA NEWS BULLETIN in English 26 Mar 86 p A8

[Text]

Jakarta, March 25 (ANTARA).- Vice Speaker coordinating economic and financial board Drs.H.Hardjantoro Sumodiharto received East German Ambassador to Indonesia Werner Peters, at the parliament building here Tuesday.

The visit of the East German ambassador was aimed at putting forward some problems related with the economy and finance of the two countries.

East Germany expects the cooperation agreement in economic sector accepted by the two countries two years ago can be realized soon.

The talks of the technical commissions which were to have been held last October, due to some obstacles, was postponed until mid May 1986 in Berlin.

Looking forward to the meeting, the East German ambassador expected Indonesia would prepare the commodities for his country, while East Germany would offer the commodities for Indonesia.

So far, East Germany has purchased some US\$ 30 million of Indonesian products, while Indonesia bought some US\$ 10 million of its commodities.

One psychological obstacle for Indonesia, according to Hardjanto there had been no East German delegation of ministerial level to Indonesia so far. Through Ambassador Werner Peters, he asked East Germany to send its delegates to Indonesia.

Though Indonesia is facing difficulties, especially in economic sector, Hardjantoro said that the Indonesians are not pessimistic in fighting them.

When talking about the cooperation between the two countries, Hardjantoro said he will check how far the government has prepared itself for the technical commission meeting in Berlin next mid May.

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CSO: 4200/901

INDONESIA

JAPANESE OFFICIAL DISCUSSES TOKYO SUMMIT WITH SUHARTO

Jakarta ANTARA NEWS BULLETIN in English 30 Mar 86 p A2

[Text] Royzo Sunobe, adviser to Japan's foreign minister Saturday met with President Soeharto at the Bina Graha office to get a clear view of the Indonesian leader's expectations of the Tokyo summit in May.

The President hopes that industrialist and developed countries work together to overcome the world economic problems since both sides are interdependent, Sunobe told reporters shortly after the meeting.

Sunobe was here with the sole purpose of obtaining President' Soeharto's view on the summit of the industrialist countries in Tokyo. From Jakarta he would continue to other Asean countries for similar purposes.

President Soeharto indirectly mentioned the new multilateral trade negotiations to be held during the summit, said Sunobe who was Japan's ambassador to Indonesia from 1974 to 19744.

Soeharto, he disclosed, was also interested in oil price.

Oil is important not only to the producers but to the consumers like Japan as well, he stated.

When asked whether the summit would also discuss matters pertaining to oil, Sunobe said the summit will not be able to produce an agreement or a concrete conclusion since oil is a complicated problem.

In the face of the summit Japan is willing to listen to other countries he added.

When the data are collected, a long term policy on energy will be formed. Sunobe did not say who is going to make the policy, Japan or other countries at the summit.

On Mochtar's proposal that the industrialist countries first carried out the old multilateral trade negotiation before entering a new one, Sunobe explained that there would not be any differences between the old and new negotiations since both have the same goals.

On the other hand he admitted that the old negotiations has not been fully implemented due to several unsolved matters.

With the new negotiation it is hoped that everybody will have a fresh mind to settle the unsolved problems, he stated.

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CSO: 4200/902

INDONESIA

AGUS SUDONO SAYS NO PROBLEM BETWEEN INKOPERINDO

Jakarta ANTARA NEWS SERVICE in English 30 Mar 86 p A4

[Text]

Yogyakarta, March 29 (ANTARA).- General chairman of the Indonesian Workers Cooperatives Centre (Inkopkerindo) Agus Sudono has said that the organisation has no problem with the Association of the Indonesian Workers Unions (SPSI).

The problem between the two organizations is only misinformation so far being received by SPSI which considers that the establishment of the Inkopkerindo is a rival for the SPSI.

Speaking to reporters here Thursday evening, Agus Sudono said that the misinformation would be cleared late this month in order that the two organisations could stay together peacefully.

He said that Inkopkerindo has been formed among other things to improve the Indonesian workers' welfare.

The formation of this organization was not overnight. But it was set up through a long process since 1982. Not until a meeting attended by representatives of nine Indonesian Cooperative Centres (Puskopin) in Jakarta recently that the Inkopkerindo was formed.

Agus Sudono was in Yogyakarta at the invitation of the Yogyakarta's office of workers cooperatives centre (Puskopar) to inaugurate its new office.

/13104
CSO: 4200/901

INDONESIA

POPULATION FIGURES REVEALED IN 1985 CENSUS

Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A6

[Text] The Central Statistics Bureau (BPS) has disclosed that Indonesia's populace in 1985 has reached 163,875,889 people comprising 8,345,596 men and 81,530,293 women.

Drs. Aswar Rasid, head of the BPS, after meeting with President Soeharto at Bina Graha Saturday, told reporters that during the 1980-85 period the nation's population growth was 2.13 percent.

Although the average nationwide growth rate was around two percent, the figures for each island differed from one another. For example, Sumatra had the highest growth rate with 3.12 percent, followed by Kalimantan (2.97 percent), Maluku and Irian Jaya (2.95). Meanwhile Java and Nusatenggara islands had the lowest growth of about 1.74 percent and 1.93 percent respectively.

In 1985 Java still ranked as the country's most populous island with 99.5 million inhabitants (ca. 60.7 percent of the nation's total).

The percentages for other islands were higher than that of 1980. Sumatra, about a fourth of Indonesia's land area, was inhabited by 20 percent of the nation's populace. While Kalimantan which shares 28 percent of the nation's land has only five percent of the nation's total population.

Java also still ranked as Indonesia's most dense island with 753 people per square kilometre, Sumatra's density was 69 per sq km, Kalimantan 14, Sulawesi 61, Nusatenggara 106, Maluku and Irian Jaya only six persons per sq. km.

Aswar Rasid also said that the nation was mostly inhabited by its young people, even though its percentage indicated a decline from year to year. Those aging below 15 constituted 44 percent of the total population in 1971, it declined further to 41 percent in 1980 and 39 percent in 1985.

The data was based on the survey carried out last October. About 125,000 households were interviewed at random.

The census also revealed that children aging one to five (Balita) shared a smaller portion of the population than that in 1971 or 1980.

There is a significant progress in the educational sector. About 91 per cent of children aging to 12 managed to pass elementary schools. Dropouts in certain regions were higher, such as West Kalimantan about 11 percent, Irian Jaya (16 percent) and East Timor (23 percent), whereas in the nationwide average figures Maluku had the lowest (0.7 percent) and the highest was in West Nusatenggara (3.6 percent).

/13104
CSO: 4200/902

INDONESIA

VERY FEW COMMUNIST GUERRILLAS REMAIN AT BORDERS

Jakarta ANTARA NEWS BULLETIN in English 25 Mar 86 p A9

[Text]

Jakarta, March 25 (ANTARA).- Commander in-chief of Malaysian Armed Forces General Tan Sri Dato Mohammad Ghazali bin Haji Che Mat has stated that remnants of communists guerrilla along the Malaysian-Indonesian border in Kalimantan were too small in number, "even it could be said that potentially they are no longer exist."

General Ghazali made the statement answering press question after he paid a courtesy call on President Soeharto at Bina Graha Presidential office Tuesday.

"If I don't mistake their number is less than a hundred people. They launch small scale operation so it is difficult to find them, said Commander Ghazali who accompanied by Indonesian Armed Forces Commander L.B. Moerdani. ^{/was}

The success in exterminating the communists guerrillas in Kalimantan according to Ghazali, was due to good cooperation between Indonesia and Malaysian Armed Forces.

Answering press question, the Malaysian Commander said that there were no more supporting elements from the local people to the communists guerrilla. "They are waiting for their extermination", he said.

In this respect he emphasized that exterminating operation would be continually waged by Armed Forces from the two countries under the coordination of General Border Committee (GBC).

He said that Indonesia and Malaysia could be proud of the successful close cooperation between Indonesian and Malaysian Armed Forces to date.

The cooperation covered joint exercises and joint operation, including operation to exterminate communists guerrilla in Kalimantan and Sarawak.

The operation would be enhanced in the future, Ghazali said.

He regarded brotherly relations between the two neighbouring countries of the same roots as of very close so that there are no negative statements in Malaysia about Indonesia.

"There are no issues in Indonesia and Malaysia that could not be solved", he said.

During his stay in Indonesia, the Malaysian Commander was also scheduled to visit the national aircraft industry in Bandung to explore the possibility of buying Indonesian made aircraft.

INDONESIA

BRIEFS

LABOR-INTENSIVE PROJECTS RECOMMENDED--IGGI (Inter Governmental Group on Indonesia) Chairwoman Egje Schoo said first priority should be given to labour-intensive projects in Indonesia's regions. Mrs. Schoo, who is also Netherlands Minister for Development Cooperation said this after meeting Coordinating Minister for Economic, Financial and Industrial Affairs Ali Wardhana here Monday. The two discussed the economic situation in Indonesia and what Indonesia hoped from the IGGI meeting in June, as well as regional development and the activities of the donor countries in Irian Jaya. Mrs. Schoo was pleased when she was told about the government's policy of giving top priority to regional development, although the completion of some projects had been slightly delayed. The two parties also discussed a grant bigger than that provided last year, for the economic development of the nation. After a courtesy call on foreign minister Mochtar Kusumaatmadja, Mrs. Schoo said she had no idea about the IGGI assistance to Indonesia for 1986/87 as the World Bank has not finished its analysis. "This morning I learnt that financial aid to the amount as provided last year would be sufficient, namely US\$2.4 million", she said [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 pp A7, A8] /13104

GOLKAR EXPECTS 60 MILLION VOTES--There will be 84 million Indonesians with the right to cast a vote in the general elections to be held in April 1987, an increase of 12 million over those in 1982. The Golongan Karya (functional group), which in the 1982 elections managed to collect 48 million votes, is expected to rally at least 60 million votes, Mrs. Nani Soedarsono, Golkar board member, said at a meeting with local women leaders here Monday. She said Golkar must at least collect 60 million votes with a view to maintain the continuity of the national development. Mrs. Soedarsono voiced confidence that Golkar would achieve victory in the elections in Bali province, even with pre-election campaigns. The confidence, she said, was based on the dexterity and honesty of the local population in following the significance of the national struggle the purpose of which had been laid down by the New Order government, and the concept of which had its roots in the Golkar. The Golkar team led by Mrs. Soedarsono, also held a mass meeting with members of the functional group in Buleleng, some 80 km north of here. [Text] [Jakarta ANTARA NEWS BULLETIN in English 25 Mar 86 p A1] /13104

RESETTLEMENT AREA OPENED--The native population of Yawa regency in Irian Jaya, made up of the Yapen and Waropen ethnic groups, pledged full support to the government's plan to make the region a new home for resettlers from the more-densely populated areas of the country. Three hundred to 500 families will be moved under the national transmigration program to the 18,944 square kilometers regency which has a population of 65,643 people, Yapen-Waropen (Yawa) Regent Andreas Karma said at his Serui office Wednesday. He said the resettlement is located in Somicangga subdistrict currently being prepared for the project scheduled for completion in August, while the transmigrants will arrive there in October. The Yawa regency brought the number of resettlement areas in Irian Jaya to seven. The others are Jayapura, Merauke, Manokwari, Pak-Pak, Nabire, and Sorong. [Text] [Jakarta ANTARA NEWS BULLETIN in English 26 Mar 86 p A10] /13104

GAS COMPANY LOSING MONEY--The State-Owned Gas Company (Perum Gas) has since 1979 continued to suffer losses that makes it unable to expand its networks of distribution throughout the country, secretary general of the ministry of mines and energy Atwar Nurhadi has revealed. Speaking to reporters here Saturday, he attributed the company's losses to the shift of its power resource from oil fuel to liquified petroleum gas. To prevent further losses by applying better and healthy management, a team has been sent to the United States to seek borrowings from the World Bank. Without elaborating about the figures of the losses since 1979, he said the deficit could lately be pushed down by the supply of gas from Cimalaya of West Java. He pointed out that the company is now streamlining its machineries by employing engineers from the Netherlands. "The rehabilitation costs are being calculated", he added. The State-owned Gas Company is now distributing gases only to such big cities as Jakarta, Surabaya, Medan, Ujung Pandang, and Bogor. [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A1] /13104

CENTRAL SULAWESI TRANSMIGRATION PROGRAM--The activities of resettling transmigrants in Central Sulawesi have to be intensified to realise the targeted 30,150 families in the province in Pelita IV (fourth five year plan). Of the target, up to this year, only 6,665 families have been resettled consisting of 6,010 families (common transmigrants and 655 families of self-motivated transmigrants). The head of the Provincial Transmigrants office, K. Chairubbin, said Monday that about 2,760 families of the targeted transmigrants in Pelita III are to be resettled in the current Pelita IV. Chairuddin said that the problem he is facing in the resettlement of transmigrants in Central Sulawesi is the lack of data on the quantity and quality of the resettlement sites. According to him, his office still needs enough funds to conduct surveys on the transmigration locations prepared by the regional government. The transmigration program in the region is also facing such problems as lack of medical officials, teachers, communications problem and plantation crop seeds. [Text] [Jakarta ANTARA NEWS BULLETIN in English 31 Mar 86 p A4] /13104

CSO: 4200/902

MAHATHIR COMMENTS ON SABAH CHIEF'S COUNTERPROPOSAL

BK061319 Kuala Lumpur Domestic Service in Malay 1230 GMT 6 Apr 86

[Text] Datuk Sri Dr Mahathir Mohamed said Parti Bersatu Sabah [PBS] is too self-conscious about the party's importance and interests in the efforts to resolve the political crisis in Sabah. He said the PBS counterproposal to the peace formula to resolve the state's problem is one-sided because it looks after the PBS interests only. The prime minister told newsmen this after chairing the UMNO [United Malays National Organization] Executive Council meeting in Kuala Lumpur today.

Datuk Sri Dr Mahathir issued the peace formula during his visit to Sabah last month. During the first stage PBS, USNO [United Sabah National Organization], and Berjaya agreed to the formula which would enable the formation of a coalition government in Sabah. However, the signing of the agreement scheduled for 29 March was forced to be postponed due to PBS' change of stand.

Datuk Sri Dr Mahathir, who is concurrently the Barisan Nasional chairman, said he is made to understand that the PBS wants two-thirds of the representatives in the Sabah government to be from PBS. He said from the Barsian National's point of view, which is also that of UMNO's Executive Council, the PBS' request is not a healthy one. This is because by having a two-third majority of the state legislative assembly, PBS could amend the state constitution without any agreement by the other parties. The prime minister stressed that in the Barisan Nasional government, which is represented by various political parties and groups, there is no one political party or group which can change the constitution by itself.

Datuk Sri Dr Mahathir is still of the opinion that his proposed peace formula is the best solution to resolve the Sabah political problem. But he said Barisan Nasional will have an open mind. The most important thing is to resolve the Sabah crisis, and all efforts should be taken to achieve the objective.

Meanwhile, Berjaya will issue a memorandum to Datuk Sri Dr Mahathir concerning its proposal and stand regarding several requests by Sabah political parties to be in the Barisan Nasional. Berjaya President Datuk Mohamed Noor Mansur said in Kota Kinabalu the memorandum will be handed in before the Barisan Nasional executive meeting this Wednesday.

/12232
CSO: 4213/127

MALAYSIA

SABAH'S PAIRIN SAYS PBS TO REAPPLY TO NATIONAL FRONT

BK101257 Kuala Lumpur BERNAMA in English 1141 GMT 10 Apr 86

[Text] Kota Kinabalu, 10 April (OANA-BERNAMA)—The ruling Parti Bersatu Sabah (PBS) of the east Malaysian state of Sabah will make another application to join the National Front Coalition after the state elections for which polling is scheduled on 5 and 6 May, PBS President and Sabah Chief Minister Joseph Pairin Kitingan said Thursday.

He told reporters on his return from Kuala Lumpur that making another application for membership was normal for any political party.

The PBS had earlier applied for National Front membership but later withdrew the application.

Malaysian Prime Minister Dr Mahathir Mohamad had said after a 3-hour meeting of the National Front Supreme Council Wednesday that the Barisan National had accepted the PBS withdrawal of the application.

On further negotiations on formation of a coalition government after the state elections, Pairin said: "Consideration of cooperation will be there. There are many forms of cooperation and the basis of it is being discussed."

He also described as "quite correct" the statement by National Front Secretary-General Ghafar Baba that most of the elements in the Sabah "peace formula" to resolve the state's political crisis were suggested by Pairin himself.

Meanwhile, the major opposition party of Sabah, USNO, stated Thursday that it respects the National Front Supreme Council decision not to get involved in Sabah's political affairs until after the state elections for which nomination is fixed for 19 April and polling for 5 and 6 May.

The party's information chief Awang Usman Salleh said that though the decision was disappointing, USNO would accept it in good faith and face the elections with zeal and determination.

"USNO is said Prime Minister Dr Mahathir Mohamad's formula to end the political crisis (in the state) has met with opposition by certain quarters," he said

The prime minister, who is National Front chairman, announced yesterday that the Sabah elections would be a free-for-all because it was the only way to decide who would govern the state.

MALAYSIA

HIGH COMMISSIONER COMMENTS ON TIES WITH NEW ZEALAND

HK140031 Wellington THE EVENING POST in English 7 Apr 86 p 2

[By Diplomatic Reporter Karen Brown]

[Text] The New Zealand Government's views on the role of small states in the world appear inconsistent with its antarctic policy, says the outgoing Malaysian High Commissioner Renji Sathiah.

In an interview with the POST, Mr Sathiah said the Prime Minister, David Lange, should pay an official visit to Malaysia to discuss, among other things, problems in the New Zealand-Malaysia relationship over Antarctica.

Mr Sathia, 44, leaves New Zealand on Wednesday to become Malaysia's next Ambassador to Moscow. He has been the High Commissioner in Wellington for the past four years.

Malaysia has led a Third-World Initiative which is opposed by the Antarctic treaty consultative parties, including New Zealand, to have the United Nations become more involved in Antarctic affairs.

Mr Sathiah, who has tertiary qualifications in law and economics, said he feels puzzled by New Zealand's position, as a member of the treaty consultative parties, on the matter being brought before the UN.

One of the tenets of the Government's foreign policy outlined by Deputy Prime Minister Geoffrey Palmer in a speech to the diplomatic corps in December, had been the position of small states in the world.

"On this particular issue (Antarctica), there seems to be a contradiction between the priority you give to the importance of the UN and the priority you give to Antarctica," Mr Sathiah said. "We're not pre-judging the issue ourselves. All we've been asking for is for the UN to make a study on Antarctica, which it has done, and we want the study to be examined and discussed by a committee of all the interested parties," Mr Sathiah said. "The outcome of this will be that the world community at large will be better informed on what's going on in Antarctica and can participate."

Being one of the original and full treaty members, New Zealand was aligned with some of the richest countries in the world against Malaysia and other small states that had taken the issue up in the UN.

The smaller countries could never hope to be able to make the kind of contribution that would enable them to become full treaty parties, Mr Sathiah said. They wanted more international accountability over a continent that represented the "last frontier of mankind" and a share of whatever benefits might come from it.

"We understand your special interest in Antarctica and your security concerns, Antarctica being in your back yard, but we feel that your security concerns would be even better taken care of if the international community understood Antarctica better and endorsed whatever regime looks after it."

Mr Sathiah said Antarctica was "an issue that could have repercussions on our relationship with New Zealand, and we don't want it to." He added that both sides should discuss it at the highest level, isolating it first as a problem in the overall relationship that could be discussed during an official visit. He noted Mr Lange had visited Malaysia briefly last year but said Mr Lange should also see Malaysia's industrial potential and spend more time with its leaders.

On other matters, Mr Sathiah praised the "dramatic" changes in economic policy made by the Government but criticized the private sector for not matching the Government's interest in the Asian-Pacific region. He also said that at times he could not help feeling there was a lot of "lip service" being paid to the Asean-New Zealand relationship, but little else.

In particular, the High Commissioner mentioned New Zealand moves last year to eliminate the GSP (Generalised System of Preferences) trade scheme as it applied to Singapore and Brunei, apparently without consulting Asean.

"A lot of the products that were affected have been reinstated but we're not totally reassured that the (Asean) relationship is being taken as seriously as it should be taken," Mr Sathiah said. "I think the powers that be here do recognise that and personally I expect some improvement."

Asean was undoubtedly a key future market for the region, Mr Sathiah said, but New Zealand, unlike Australia, was not well prepared to take advantage of it.

"I don't think people in New Zealand are mentally attuned to the Asian-Pacific region, despite what the government says. "The problem is that the general public, and particularly businessmen, are poorly informed about the region."

Mr Sathiah said he would like to see more businessmen visit Malaysia and more New Zealand investment in the region.

On Anzus, Mr Sathiah said Malaysia, which is involved in five-power defence arrangement with New Zealand, Australia, Britain and Singapore, was concerned that this arrangement would be diminished by an alliance breakdown.

Malaysia's new ambassador to Moscow was reluctant to comment in detail on his country's concerns about developments in the northern Pacific with the Soviet bluewater fleet. However, he said Malaysia believed the status quo in the northern Pacific had changed. It had taken a long time to build up existing alliances, he added, some of which were interlocking. Malaysia believed it was "the wrong time for any destabilizing element to be introduced."

"Our position...is that the problem is one that has to be resolved between you and the United States. We certainly don't intend to interfere in any way but we can't help but be concerned about its possible repercussions."

The new Malaysian High Commissioner to New Zealand has not yet been announced but is expected to arrive in May.

/12913
CSO: 4200/915

MALAYSIA

EXPORTS UNDER ASEAN TARIFF ACCORD DOUBLE IN 1985

BK090849 Kuala Lumpur BERNAMA in English 0756 GMT 9 Apr 86

[Text] Kuala Lumpur, 9 April (BERNAMA)—Malaysia's exports under the ASEAN preferential tariff agreement (PTA) last year almost doubled to 36.21 million ringgit (about U.S.\$13.66 million) from 18.26 million ringgit (about U.S.\$6.89 million) the previous year.

According to the latest issue of the Trade and Industry Ministry's international trade division publication, Malaysia's exports to Indonesia under the scheme increased 5-fold to 10.56 million ringgit (about U.S.\$3.98 million) from a mere 1.89 million ringgit (about U.S.\$713,210) in 1984.

Exports to the Philippines also went up from 3.65 million ringgit (about U.S.\$1.38 million) in 1984 to 8.95 million ringgit (about U.S.\$3.38 million) in 1985, but sales to Thailand dropped marginally to 6.03 million ringgit (about U.S.\$2.27 million) from 6.3 million ringgit (about U.S.\$2.37 million) in 1984.

The publication said major products exported to the Singapore market under the PTA in 1985 included sweetened and unsweetened biscuits, inner spring mattresses, chocolate confectionery and furniture sets.

Methanol, RBD palm Olein [name of palm oil related product] and bare rubber threads were major export items in the Indonesian market.

Major items to the Philippines market consisted mainly of palm oil related products like RBD palm Stearin, palm kernel oil and RBD palm oil.

In the Thai market, ampoules, wood preservatives, surgical rubber gloves, and stearic acid were the main export items.

The publication said the Trade and Industry Ministry will continue to press for more favourable margins of preference to enable exporters to develop markets within the ASEAN region.

It is said although the current preferential tariff rate is unsufficient for some products to effectively penetrate the ASEAN markets, the scheme appears to have benefited some Malaysian exporters.

/12232
CSO: 4200/899

MALAYSIA

BRIEFS

MAHATHIR PROMISES FAIR ELECTION--The Sabah state election next month will be a free contest among the political parties. Barisan Nasional Chairman Datuk Sri Dr Mahathir said this was the best way of determining which party would govern the state. He stressed Barisan Nasional would no longer intervene in the political affairs of Sabah until the outcome of the election of 5 and 6 May [words indistinct]. Speaking to reporters after chairing a Barisan Nasional Supreme Council meeting at the UMNO [United Malays National Organization] complex in Kuala Lumpur, he said the federal government would ensure that the elections were conducted fairly. The coming election will not affect the security of the state and people of Sabah. The prime minister added that Barisan Nasional's sole representative in Sabah--the Berjaya Party--would field candidates in all 48 state constituencies. The other contesting parties might do the same thing. [Text] [Kuala Lumpur Domestic Service in English 1330 GMT 9 Apr 86 BK] /12232

CSO: 4200/899

PHILIPPINES

SURVEY CHECKS PAPER CHOICE OF METRO MANILANS

HK151120 Quezon City BUSINESS DAY in English 14 Apr 86 p 13

[By Ma. Victoria A. Cochoco-Perez]

[Text] There is strong general desire for and expectation of changes among Metro Manilans, but the more change-oriented among them prefer to read the ex-opposition papers, the second "snap survey" of the Development Academy of the Philippines (DAP) showed.

A total of 582 telephone-owning Metro Manilans were surveyed last 15 and 16 March and were asked which newspaper they read most frequently.

Of the 551 who indicated their newspaper preference, 34 percent read the PHILIPPINE DAILY INQUIRER most frequently, 21 percent the MANILA BULLETIN, 18 percent MALAYA, 8 percent MANILA TIMES, 6 percent PEOPLE'S JOURNAL, 3 percent BALITA, 2 percent TEMPO, and 1 percent each DAILY EXPRESS, TIMES JOURNAL (now the NEW HERALD), BUSINESS DAY, and PEOPLE'S TONIGHT.

"The newspaper one reads reveals a lot 'bout (one's) political orientation. If he reads the ex-crony newspapers, chances are he is relatively conservative; if he reads the ex-opposition newspapers, chances are he is change-oriented. This, of course, sounds commonsensical, but recent survey results provide partial confirmation," Segundo Eclar Romero wrote as he explained the survey results.

The results showed that MALAYA (67 percent) and INQUIRER (66 percent) readers were most supportive of the declaration of a revolutionary government, compared to the MANILA TIMES (55 percent), BULLETIN (51 percent), and PEOPLE'S JOURNAL (48 percent) readers.

Only the readers of the INQUIRER seemed to be in favor of abolishing the Batasang Pambansa by a clear majority of 54 percent. Among the MALAYA readers, a plurality or 49 percent felt the Batasan should be retained. A majority 56 percent of the TIMES readers, 57 percent of the readers of BULLETIN, and 67 percent of PEOPLE'S JOURNAL readers seemed against the Batasan abolition, the survey showed.

A sizable majority in all cases said the country needs a new constitution: 86 percent of MALAYA readers, 84 percent of INQUIRER, 77 percent of PEOPLE'S JOURNAL, 65 percent of both TIMES and BULLETIN readers.

All also favored the release of political detainees Jose Ma. Sison and Dante Buscayno alias Commander Dante. Inquirer readers were most in favor (55 percent). The JOURNAL readers showed a lower disapproval rate (12 percent) than the MALAYA readers (22 percent). But the JOURNAL readers gave an "uncertain" response, making them difficult to classify, the survey said.

Readers of INQUIRER were found to be most optimistic about the chances of progress in the country (87 percent), followed closely by those of MALAYA (86 percent) and the TIMES (84 percent).

Less optimistic were the BULLETIN (72 percent) and PEOPLE'S JOURNAL readers (64 percent). The JOURNAL readers were an "uninspired" group, with only 23 percent thinking the chances of progress are just the same as before the new dispensation, "compared to at most 2 percent - 7 percent of the other reader categories."

When the results, however, were compared with how they saw the chances of progress of their own respective families, the level of optimism became "markedly lower" for all categories of readers, the survey found.

INQUIRER, MALAYA and TIMES readers were significantly more optimistic than the readers of BULLETIN and PEOPLE'S JOURNAL. Particularly, 36 percent of PEOPLE'S JOURNAL readers saw the chances to be the same as before.

About 25 percent of BULLETIN and PEOPLE'S JOURNAL readers were uncertain about their family's chances of progress, compared to one of six of INQUIRER readers and one of 12 MALAYA and TIMES readers.

On whether the Ministry of Human Settlements should be abolished or not, the survey found that half of the readers of INQUIRER, MALAYA and MANILA TIMES were for abolition while JOURNAL readers favored retention (48 percent).

The survey concluded that INQUIRER and MALAYA readers seemed to be more supportive and expectant of change than BULLETIN and PEOPLE'S JOURNAL readers. The MANILA TIMES readers, it noted, appeared to be somewhat in the center of this spectrum.

The survey said it is most possible that one picks a newspaper that is "most hospitable" to one's political views, rather than one picking up his political orientation from the newspaper one reads.

The comparative sizes and the rate of circulation rise and fall of newspapers should reflect the "underlying shifting of political orientation of the consumers of the print media."

The circulation of "excrony" newspapers BULLETIN and PEOPLE'S JOURNAL, which is a combined 36 percent compared to that of the ex-oppositionist papers (64

percent), "says a lot about which political orientation is dominant today," the survey said.

The survey results also showed a relationship between newspaper preference and educational attainment: the most highly educated prefer the INQUIRER (40 percent of postgraduate level and 39 percent of college level respondents) while the less educated preferred the PEOPLE'S JOURNAL (21 percent elementary level and 8 percent high school respondents).

The INQUIRER readers shun the PEOPLE'S JOURNAL almost completely while PEOPLE'S JOURNAL readers feel the same way about the INQUIRER.

The other three newspapers were found to have well-distributed readerships across all educational levels although the TIMES was found to be read only by at most 12 percent in any educational level.

/12913
CSO: 4200/918

JPRS-SEA-86-074
29 April 1986

PHILIPPINES

BRIEFS

RALLY FOR MARCOS' RETURN--More than 2,000 Kabataan Barangay [Barangay Youth], joined by some Marcos loyalists, demonstrated at the Liwasang Bonifacio yesterday to demand the return to the country of former President Marcos. The rally lasted a few hours. From Liwasang Bonifacio, the demonstrators marched to the U.S. Embassy where they staged a picket. No violence was reported. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 16 Apr 86 HK] /12913

NDF READY FOR DIALOGUE--A high official of the communist party in Western Visayas declared that they are ready to conduct a dialogue with the government, but a (peace plan) must first be presented. An official of the National Democratic Front said in an interview in Calinog, Iloilo that the party will continue its struggle against the military, and thus there is need for a (peace plan). The rebel also said that President Aquino is doing well, but admitted that she is vulnerable to manipulations of politicians, big business, and the United States. He added that while the president is sincere in introducing reforms, she is not in control of all institutions. [Text] [Dagupan City DZDL Radio in Tagalog 0445 GMT 11 Apr 86 HK] /12913

CSO: 4211/43

SINGAPORE

FORMER DIRECTOR OF PAN ELECTRIC ARRESTED

BK130515 Kuala Lumpur BERNAMA in English 0458 GMT 14 Apr 86

[Text] Singapore, 14 April (BERNAMA)--The former director of Pan Electric [Pan-31] Industries, Peter Tham Wing Fai, was arrested soon after he landed at the Changi International Airport Monday morning, a statement by the Singapore Commercial Affairs Investigation Department (CAID) said Monday.

Tham, 37, who is also chairman of GIH (Growth Industrial Holdings) and managing director of Associated Asian Securities, was taken into custody at 01:45 SST [Singapore standard time] when he flew in together with CAID officials.

"CAID officials, led by investigative team leader Yeo Poh [word garbled], had flown to Tokyo for Peter Tham's surrender after his recent arrival from the United States," the statement said.

Tham is being sought by the authorities here for alleged criminal breach of trust and stock market manipulation in connection with Pan Electric which went into receivership last December with debts of nearly S\$400 million.

Tham was investigated by the Stock Exchange of Singapore in August 1984 for insider trading but the investigation proved inconclusive. Shortly after that, he left Singapore.

CAID so far prosecuted two persons connected with the Pan-El affair. One of them is Malaysian businessman-politician Tan Koon Swan who is facing 15 charges of abetting criminal breach of trust, cheating and stock market manipulation in the Pan-El affair. He has pleaded not guilty and is due for trial on 5 May.

In February, Tan Kok Liang, the former director of Pan-El, was jailed for 15 months after he pleaded guilty to two criminal breach of trust charges involving more than S\$54,000.

It was said that Tham was earlier traced in Seattle, Washington State, U.S.A., by the Federal Bureau of Investigation (FBI) about two weeks ago.

Tham's whereabouts were established by the FBI after it was contacted by Interpol which had earlier been alerted by the CAID to help find him.

He was subsequently traced to San Diego where his wife, Joyce Aw, and their three children later joined him.

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CSO: 4200/916

JPRS-SEA-86-074
29 April 1986

INTERNATIONAL RELATIONS, TRADE, AND AID

ARMY PAPER COMMENTARY DENOUNCES SDI PROGRAM

OW090833 Hanoi VNA in English 0739 GMT 9 Apr 86

[Text] Hanoi, 8 Apr (VNA)--The Army paper QUAN DOI NHAN DAN in a commentary today comes out strongly against the SDI program of the United States and its first-strike strategy.

The paper says: "The SDI program of the United States is, as the LOS ANGELES TIMES has pointed out, actually aimed at ensuring the U.S. capability to threaten the Soviet Union, as Reagan hopes that this program will provide a nuclear shield for the United States to attack without being punished.

"The U.S. administration," the paper goes on, "relies on the Ohio submarine carrying Trident missiles, the B1 bomber and the MX as a 'strategic trio' for its first-strike ability.

"Moreover, since November 1983 Reagan has stepped up the deployment of 572 medium-range missiles in Western Europe, including 108 Pershing 2 and 464 cruise missiles.

"U.S. researchers have worked out a plan for a nuclear attack by the United States. That plan will be realized if the bellicose imperialist forces are given the freedom of action. They are now seeking such freedom of action through the SDI program. That is why the United States has tried to scrap the treaty on the limitation of anti-missile systems it signed with the Soviet Union in 1972, and also the United States is the only country to oppose the UN General Assembly's resolution on banning the militarization of outer space.

"All this has made it understandable that the world movement for peace and against the SDI program and the danger of a nuclear war has developed stronger than ever before," the paper says in conclusion.

/9604
CSO: 4200/903

INTERNATIONAL RELATIONS, TRADE, AND AID

AFP: SRV 'SOURCE' WELCOMES IDEA OF TALKS WITH THAIS

BK101524 Hong Kong AFP in English 1410 GMT 10 Apr 86

[Text] Hanoi, 10 Apr (AFP)--Vietnam welcomes the idea of a meeting with Thai officials for talks on common security questions in a step toward a peaceful solution in Cambodia, an authoritative source indicated here Thursday.

The source told AGENCE FRANCE-PRESSE that on the basis of first reports, the idea advanced Tuesday by Indonesian Foreign Minister Mokhtar Kusumaatmaja for a Thai-Vietnamese meeting--probably at the foreign ministerial level--seemed "constructive."

The source refused further comment and did not say if Hanoi felt that such a meeting might be held soon.

Mr Mokhtar said in Jakarta on Tuesday he planned to propose the Thai-Vietnamese meeting during a nonaligned foreign ministers' meeting next week in New Delhi, where he is to hold talks on Cambodia with his Vietnamese counterpart, Nguyen Co Thach.

Indonesia represents the Association of Southeast Asian Nations (ASEAN), of which Thailand is a member, in discussions with Vietnam on Cambodia.

(In Bangkok, meanwhile, a senior Thai Foreign Ministry spokesman said Thursday that Thai Foreign Minister Sitthi Sawetsila was ready to meet with Mr Nguyen Co Thach for direct talks on the Cambodian question. Mr Sitthi told Mr Mokhtar, who arrived in Bangkok Wednesday, that direct talks were possible if Mr Nguyen Co Thach was serious. Mr Sitthi and Mr Nguyen Co Thach last met face-to-face on 6 June, in Bangkok, the ministry spokesman said, adding that a meeting between the Thai and Vietnamese foreign ministers may take place in the third week of April.)

Vietnam has always expressed support for a meeting between Mr Nguyen Co Thach and Mr Sitthi to discuss security problems arising from the Cambodian conflict, observers said.

During a 24-hour visit to Thailand in October, Hoang Bich Son, Vietnam's vice minister of foreign affairs, expressed his government's interest in a meeting between Mr Nguyen Co Thach and Mr Sitthi, Bangkok said.

Thailand has frequently accused Vietnam, which maintains an estimated 150,000 soldiers in Cambodia, of incursions into Thai territory where some of the Cambodian resistance forces fighting the pro-Hanoi Phnom Penh regime are based.

The source here Thursday stressed that at "first sight" Mr Mokhtar's proposal for a Thai-Vietnamese meeting was in accord with "analogous ideas" put forward by the three countries of Indochina.

The foreign ministers of Vietnam, Laos and Cambodia proposed during a conference in January that negotiations be opened with Thailand "to settle fundamental questions relating to their mutual relations on the basis of peaceful coexistence."

The final communique issued by the conference stressed that reestablishing and consolidating good-neighbor relations between Thailand and the countries of Indochina would constitute an extremely important factor for peace and security in Southeast Asia.

/9604
CSO: 4200/903

INTERNATIONAL RELATIONS, TRADE, AND AID

COSMONAUT PHAM TUAN RECALLS SPACE FLIGHT

OW110849 Hanoi VNA in English 0722 GMT 11 Apr 86

[Report by VNA correspondent]

[Text] Hanoi, 11 Apr (VNA)—In anticipation of the 25th cosmonauts' day (12 April), I called on Colonel Pham Tuan at his modest cottage on Hanoi's outskirts. Six years ago, together with Soviet cosmonaut V.V. Gorbatko, he successfully flew into outer space aboard the "Soyuz-37" orbital complex, becoming the first cosmonaut not only in Vietnam but also in Asia.

Pham Tuan was honoured "Hero of the Vietnamese Armed Forces" for shooting down a U.S. B-52 strategic bomber in a dogfight in December 1972. Following his space flight, he was conferred the title "Labour Hero of Vietnam" and "Hero of the Soviet Union."

In a cordial talk with me, Pham Tuan, 39, recalled his deep impressions about his space flight. "Our crew," he said, "carried out almost 30 research projects aboard the spaceship including several sponsored by Vietnamese scientists. Many studies and experiments were conducted in the framework of the intercosmos program. They can be listed in five major groups: meteorology, bio-medicine, telecommunications, physics and technology, and tele-detection."

Asked about the application of scientific progress, especially results of research during his flight, to Vietnam's conditions, Pham Tuan replied:

"Scientific achievements in the cosmic field have proved very useful for Vietnam in economic development.

"We conducted many researches and experiments aboard the orbital complex. Studies on cosmic meteorology have in fact helped Vietnam work out better methods of processing information about and analysing characteristics of typhoons gathering in the Pacific. Results of medico-biological experiments have enabled Vietnamese pharmacists to study and produce anti-radiation medicine and apply new methods of physical exercise in training pilots and cosmonauts. Biological studies have shown that Azolla Pinnata can form a close-cycled ecosystem aboard a spaceship, thus contributing to the study of long space flights."

"With regard to cosmic telecommunications," he said, "our studies have helped improve techniques of processing information given by satellites and the quality of Vietnam's telecommunications service."

Pham Tuan said experiments on cosmic physics and technology have supplied Vietnam—which lies in the equatorial geo-magnetic region—necessary data for the building of scientific stations for the observation and treatment of information from satellites to facilitate its survey of atmospheric layers and cosmic topography.

He said for him the most interesting studies during his space were those on tele-detection. They have given great help to Vietnam in marking off its territorial regions and assessing its natural resources. Thanks to results of the research, Vietnam has updated its geological and meteorological maps and conducted surveys on the evolution of its forests, rivers, continental shelf, and other natural wealth.

The Vietnamese cosmonaut extolled the outstanding achievements of the Soviet Union in the conquest of outer space. Soviet scientists, he said, have rendered devoted assistance to their colleagues in fraternal socialist and friendly countries. Steady progress has been made in furtherance of the intercosmos program. Many countries have sent their scientists and cosmonauts to work and study in the Soviet land. Among international crews aboard Soviet-made spaceships were cosmonauts not only from socialist countries but also from other nations including France and India. "It goes without saying that peace, friendship and cooperation prevail in the Soviet program for cosmic research and conquest," Pham Tuan said.

Commenting on the United States' Strategic Defence Initiative (SDI), known as "Star Wars" program, Pham Tuan said that the rulers in Washington have made full use of achievements of American scientists in the cosmic field to realize their sinister designs. "In essence," he said, "SDI is aimed at securing the right to deal with impunity the first nuclear strike at the Soviet Union, the bastion of world peace."

"U.S.-led imperialism, by frenziedly accelerating the militarization of outer space, is pushing humankind to the brink of a nuclear holocaust," said the young and stalwart hero. "It is therefore imperative for the people in Vietnam and elsewhere in the world to step up the struggle against the arms race, for peace, friendship and cooperation among nations," Pham Tuan said.

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CSO: 4200/903

INTERNATIONAL RELATIONS, TRADE, AND AID

NHAN DAN CRITICIZES U.S. ROLE IN ASIA, PACIFIC

BK121444 Hanoi Domestic Service in Vietnamese 0030 GMT 12 Apr 86

[From the review of NHAN DAN for 12 April]

[Text] On its international page, NHAN DAN carries an article by (Nguyen Van Qui) entitled: For Peace and Stability in Asia and the Pacific. The article says: In Southeast Asia, the United States is attempting to undermine the trend of dialogue between the ASEAN and Indochinese countries, supporting and assisting Thailand in maintaining reactionary Cambodian forces on Thai soil to oppose the PRK, and continuing to exert an economic blockade against and isolate politically the three Indochinese countries in the international arena.

In South Asia, the United States is seeking to consolidate Pakistan to replace its foothold that was eliminated in Iran, striving to turn Pakistan into a springboard in this region, using Pakistan to exert pressure on India, using the Afghan issue to undermine stability in the region, maintaining a tense situation in US-USSR relations, and undermining the atmosphere of dialogue in this region and the world.

The article stresses: In carrying out all these sabotage activities against the revolutionary and progressive forces in the region, the United States has received positive assistance from China. At present, the Beijing administration, while talking about its independent foreign policy, in reality has sided with imperialism to materialize its four modernizations and expansionist scheme. In Asia and the Pacific, China is carrying out its activities along with or in close coordination with the United States.

The article adds: In Southeast Asia, Vietnam, Laos, and Cambodia have many times made proposals to accelerate dialogue between the ASEAN and Indochinese countries to contribute to building Southeast Asia into a zone of peace, stability, and cooperation. Vietnam has many times proposed to China resuming negotiations to normalize relations between the two countries. Another effort to restore peace in Asia is the proposal of socialist and nonaligned countries, especially India, calling for an international conference to discuss ways and means to turn the Indian Ocean into a zone of peace. Over the past several years, deputies of national assemblies of fraternal countries in Asia have organized meetings and get-togethers with deputies of other countries in the region. Through these meetings, it has been discovered that

though the viewpoint on particular [words indistinct] and national assemblies of these countries, all of them have supported dialogue through negotiations to solve problems in relations among nations. This trend has created favorable conditions for further exchanges of views between deputies of various nations for the interests of security in Asia and the Pacific.

The article concludes: A recent conference issued a concluding communique calling on Asian countries to expand their contacts, accelerate coordination to struggle in each country and in the whole region to oppose the danger of war, and implement the initiatives and constructive proposals of socialist countries and other nations to turn Asia and the Pacific into a zone of peace and stability.

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CSO: 4209/448

INTERNATIONAL RELATIONS, TRADE, AND AID

UN ENVOY SUPPORTS WORLD DISARMAMENT CONFERENCE

OW141339 Hanoi Domestic Service in Vietnamese 1100 GMT 13 Apr 86

[Text] After five days of discussions on the convening of a world disarmament conference in accordance with a 1971 UN General Assembly resolution, the first session of the ad hoc committee established with the mandate to prepare for the conference has not reached a consensus on convening the conference.

During the discussions, almost all socialist countries have stressed the need to convene a world disarmament conference in order to ease the current world tension.

Speaking at the 8 April session as an observer, Ambassador Bui Xuan Nhat, acting head of the Vietnamese representation to the UN, criticized the western countries' negative attitude which had impeded the ad hoc committee's work and prevented an early convening of the world disarmament conference. He said: Despite the positive changes in recent international relations, the world situation in general has remained complicated, the arms race has been frantically stepped up, and large amounts of funds have been lavishly spent on the SDI program aimed at taking the arms race to outer space.

After dealing with the world people's current peace movement, Ambassador Bui Xuan Phat stressed: Vietnam fully supports the Soviet Union's comprehensive and practical proposals advanced by Comrade Gorbachev, general secretary of the CPSU Central Committee, in January 1986 with a view to eliminating all nuclear weapons and reducing other types of arms.

Ambassador Bui Xuan Nhat asserted: The Vietnamese government fully supports the early convening of a world disarmament conference and holds that, in the current world situation, the holding of such a conference with the participation of all countries will help promote mutual understanding and speed up the disarmament process, thus contributing to easing world tension and creating conditions for developing the trend toward Detente.

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CSO: 4209/448

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

MESSAGE TO ITALIAN CP CONGRESS--Hanoi, 9 Apr (VNA)--The Central Committee of the Communist Party of Vietnam today extended a message of greetings to the 17th Congress of the Communist Party of Italy. The message notes that the Italian Communists together with other democratic and progressive forces in the country have persistently struggled for human rights, democracy and social progress, and against the reactionary forces' socio-economic policy which runs counter to the interests of the working class and the working people. It also notes that the CPI has positively taken part in the common struggle against the arms race and the deployment of the medium-range missiles of the United States and other NATO member countries in Italy and Western Europe as a whole, for peace and disarmament and for the cooperation among countries in the region. "We warmly welcome your successes and fully support your struggle in the interests of the Italian working class and people, for peace, democracy and social progress the world over," says the message. [Text] [Hanoi VNA in English 1448 GMT 9 Apr 86] /9604

GDR ACADEMICS' VISIT--Hanoi, 9 Apr (VNA)--A delegation of the GDR Academy of Sciences led by its deputy general secretary, Academic Herbert Meissner has paid a visit to Vietnam as guest of the Vietnam Committee for Social Sciences and the Vietnam Institute of Sciences. While here, the delegation toured Ho Chi Minh City and the central Vietnam provinces of Quang Nam-Da Nang and Binh Tri Thien, and gave lectures at the Nguyen Ai Quoc Higher Party School, the VCP Central Committee's International Department, the Institute of Marxism-Leninism, and the host committee here. It was received by Le Quang Dao, secretary of the party CC and head of its Commission for Science and Education. A plan of scientific cooperation for the 1986-1990 period between the Vietnam Committee for Social Sciences and the Vietnam Institute of Sciences on the one side, and the GDR Academy of Sciences on the other, was signed here on 4 April by Professor Vu Khieu, deputy director of the host committee and Academic Herbert Meissner. [Text] [Hanoi VNA in English 1459 GMT 9 Apr 86] /9604

SOCIAL SCIENTISTS IN INDIA--Hanoi, 9 Apr (VNA)--A delegation of the Vietnam Commission for Social Sciences led by its chairman Prof Pham Nhu Cuong, paid a visit to India from 15 March to 6 April. During its stay, the delegation, guest of the India Council of Social Science Research, had

working sessions with the host organization's president Prof G. Parthasarathy and other leading members, with Prof Ramohan Singh, vice-chairman of the State Planning Commission, and other Indian scientists from various institutes and universities in New Delhi, the cities of Chandigarh, Bombay, Calcutta, Madras, Jaipur, and Agra. The host and his guests briefed each other on the research of social sciences in their respective countries and agreed on promoting their bilateral cooperation. The delegation also toured historical sites and cultural establishments in Calcutta and was received by Lafjyoti Basu, chief minister of West Bengal State. [Text] [Hanoi VNA in English 0705 GMT 9 Apr 86] /9604

LEADERS ATTEND FESTIVALS--Hanoi VNA 14 April--A get-together was arranged at the International Club here this evening in honour of Boun Pi May and Chol Chhnam Thmei, New Year Festivals of Laos and Kampuchea respectively. It was attended by Vu Quang, member of the Communist Party of Vietnam Central Committee (CPVCC) and head of its international department, Hoang Truong Minh, member of the CPVCC and president of the Vietnam-Laos Friendship Association, Pham Dinh Vinh, and Dao Tung, vice presidents of the Vietnam-Kampuchea Friendship Association, and others. Lao Ambassador Khampheun Tounalom and Kampuchean Ambassador Tep Henn were present. Speaking on the occasion, Lao Ambassador Khampheun Tounalom expressed great joy to celebrate the traditional New Year Festivals of Laos and Kampuchea in Vietnam, a fraternal country. He said that in the New Year, the Lao and Kampuchean peoples would continue strengthening their special solidarity and comprehensive cooperation with the fraternal people of Vietnam, enhancing their solidarity and militant alliance with the peoples of the Soviet Union and other fraternal socialist countries. He expressed his belief that the peoples of Kampuchea, Laos and Vietnam will win still greater successes in the New Year. [Text] [Hanoi VNA in English 1558 GMT 14 Apr 86 OW] /12913

PHAM VAN DONG SYMPATHIZES--Hanoi VNA 14 April--Chairman of the Council of Ministers, Pham Van Dong today sent a message of sympathy to his Mongolian counterpart, Dumaagiyn Sodnom, over the heavy human and material losses caused by the recent prairie fire which struck 10 districts of Dornod and Vhentey provinces in Mongolia. The message wishes the people in the fire-stricken provinces quick recovery from the losses caused by the calamity. [Text] [Hanoi VNA in English 1552 GMT 14 Apr 86 OW] /12913

VNA, ATA SIGN AGREEMENT--Hanoi VNA 14 April--An agreement on professional cooperation was signed here on 11 April between Vietnam News Agency (VNA) and Agency Telegraphique Albania (ATA). Signatories were Dao Tung, VNA director general, and Syrja Laze, Albanian ambassador extraordinary and plenipotentiary to Vietnam and on behalf of ATA. [Text] [Hanoi VNA in English 1545 GMT 14 Apr 86 OW] /12913

SRV DELEGATION ARRIVES--Berlin, 14 April (ADN)--The following arrived today in the GDR capital to take part in the 11th SED Congress at the invitation of the SED Central Committee. The delegation from the Vietnam Communist Party, led by Chu Huy Man, member of the Central Committee Political Bureau, and vice chairman of the Council of State. It includes Nguyen Van Trong, deputy director of the Foreign Relations Department of the Central Committee, and Tran Hoai Nam, SRV ambassador to the GDR. The guests were greeted by Harry Tisch, member of the SED Central Committee Politburo. [Text] [East Berlin ADN International Service in German 1327 GMT 14 Apr 86 LD] /12913

PARTY ACTIVITIES AND GOVERNMENT

TEXT OF RESOLUTION 40 OF HAIPHONG PARTY STANDING COMMITTEE

Haiphong HAI PHONG in Vietnamese 13 Dec 85 pp 1,4

[Article providing complete text of Resolution No 40 NQ/TU, dated 5 December 1985: "Resolution of Standing Committee, Municipal Party Committee, on Implementing the Formula, 'The Party Leads, Working People Own, State Manages' in Villages, Cooperatives"]

[Text] I. Socialist Collective Ownership in Villages, Cooperatives

Collective ownership is the essence of the new system. The collective ownership system is given substance in the formula: the party leads, the working people own, and the state manages. These are three closely-related aspects forming a unity: the party leads for the people to own; the people own via the state; state management is implementation of party leadership and guarantees the people's right of collective ownership.

The collective ownership system, which is the correct, enlightened policy of our party, has become a strong force, growing constantly stronger, that leads our country's revolution from victory to ever greater victory

In villages and cooperatives, where the policies of the party and the state are directly implemented, the three revolutions are carried on, and arduous revolutionary activities of the masses take place every day and every hour, collective ownership has aimed and continues to aim at successfully meeting the agricultural production goals set in the resolution of the Eighth Municipal Party Congress and Resolution No. 04 of the Municipal Party Committee on "advancing Haiphong's agriculture a step in the direction of large-scale production during the 1980's," especially during the period of change in direction for economic management in the spirit of the party Central Committee's Resolutions 6, 7, and 8.

The formula of party leadership, ownership by the working people, and state management is to take substance in villages and cooperatives in order to organize implementation relative to the following issues:

A. Expanding Leadership of Village Party Organization

The village party organization, which is the basic party organization in the countryside, has the function of providing comprehensive leadership of village activities according to the regulations of the party and Interim Regulation No. 15/QD-TU of the Standing Committee, Municipal Party Committee, ensuring that the party line and policies, laws of the state, and instructions and resolutions of upper echelons and of the village party organization are adhered to within the party, reach the citizens, and are successfully carried out.

The leadership of the village party organization, especially the village party committee, will occupy itself with the following issues:

1. Based on the overall plan, the district plan, natural economic conditions, experience, and production in the locality, the party committee leads the government and cooperatives in formulating the overall plan, the plans of some key sectors, and the 5-year plan and annual plans, especially the plan to 1990 and the 1986 plan, tying production to business in a formula combining agriculture, industry, commerce, and credit or one combining industry, fishing, forestry, commerce, and credit, exploiting every capability of labor, land, water, and occupations to comprehensively, strongly, and firmly develop agriculture at a fast pace, producing large quantities of food, consumer goods, and export goods, properly fulfilling obligations to the state, and enriching cooperatives and people in the village.
2. With currently available assets and mainly with labor of the village and cooperatives and assistance from above, the party leadership leads the effort to invest in building up the material and technical base in support of the economy and the daily life of the people, with primary concentration on the need to develop agriculture, forestry, fishing, and salt production, handicrafts, and communications and transportation, simultaneously giving due attention to constructing cultural projects for the good of society in the village and cooperatives. The leadership publicizes scientific and technical knowledge far and wide among the people, positively brings scientific and technological advances into production and life, and sees to it that labor is made technical.
3. The leadership strengthens cooperatives, renovating economic management, eliminating the bureaucratic and subsidized management, and switching over to economic accounting and socialist business. They will perfect product contracting with groups and working people in keeping with the spirit of Instruction No. 67 of the Secretariat of the party Central Committee, Resolution No. 04 of the Municipal Party Committee, and Decision No. 218 of the Municipal People's Committee. They will stress practicing the principle of distributing according to results of labor, centralizing economic management, business accounting within each occupation, and distributing according to the product unit price in each occupation.

The leadership is to develop family business strongly in the right direction and expand joint and combined forms of operation with other cooperatives and

state-operated installations. They will continue to improve the non-socialist sector of the economy, increasing management to control the market.

4. They will lead development of cultural, educational, health, and sports efforts in the village, stepping up the movement to build a new life and new cultural family and build a new civilization. They will strive resolutely to eliminate such social evils as gambling, addiction to smoking, prostitution, bootlegging, shiftless begging, and superstition. They will provide close leadership to the family planning drive to lower the population growth rate.

The leadership will strive to meet the goal of putting up tile roofs throughout the countryside in line with formulated plans and projects.

5. The leadership will maintain order and security, strengthen national defense, and regularly school cadres, party members, and the people in a sense of revolutionary awareness and of protecting national secrets. They will fight every psychological warfare activity and destructive operation of the enemy and counter every shortcoming in the economy and in society.

6. They will strengthen the political base in the village, especially the party organization, tying party-building to carrying out political tasks and implementing the new management system. They will streamline organization and enhance the capability of the party committee leadership and party chapter leaders in all ways, especially in economic management ability, and bring out the exemplary nature and preeminence of party members. They will formulate cadre programs and carry them out well.

To implement the above tasks well, the village party organization and party committee adopt the platform of the working class and resolutely fight for the party line and viewpoint. They will efficiently, aggressively, creatively, and resolutely lead and guide implementation of the line and policies of the party and state.

The party committee provides comprehensive and absolute leadership, but must get deeply involved in economic leadership and concentrate on discussing and determining broad operational principles and methods of implementation. The party committee allocates matters pertaining to state management and cooperative management to government authorities and management boards of cooperatives, which guide their detailed implementation. The party committee provides close leadership to ideological and organizational activities, party-building, and mass activities; it regularly inspects and listens to reports, eliminates deficiencies, and enables government authorities and cooperative management boards to exercise their functions and tasks. It sees to the education and training of party members to enrich revolutionary virtues, bring out the preeminence of party members, and constantly develop their aggressive, creative revolutionary spirit, willingness to think and do new things effectively, resolve to struggle against sluggish conservatism, disorganization, and lack of discipline,

with absolutely no toleration for sympathies for individuals or relatives, provincialism, factionalism, using one's authority to intimidate and oppress the masses, or flattery and failure to take leadership of the masses.

The party committee is to be attentive to the masses and consult them before making decisions and during the process of implementing policies and activities of the village and cooperatives and will obtain opinions of the masses and their participation in party-building and their critiques of cadres and party members.

B. Strongly Developing Working Peoples' Right To Collective Ownership

The goal of the collective ownership system in the village and cooperatives is to launch a true, strong revolutionary movement of the masses to successfully perform each political task in the countryside and guarantee the right of villagers and cooperative members to be in charge of all activities, especially in production and in distribution of income.

The collective ownership right of the people and cooperative members is manifest in the responsibilities, duties, and rights of citizens according to the constitution and law. The following will guarantee the collective ownership right of the working people in the village and cooperative:

1. The village party committee and people's committee, cooperative management boards, and mass organizations regularly provide propaganda and education in many forms to raise the political awareness of the people, circulate among the people needed general knowledge on economic management and science and technology, especially in the areas of agriculture and life, teach the people to unite for mutual assistance, with feelings of love and truth. The principle of having the people know, discuss, perform, and inspect must be implemented in respect to activities of the party, the government, and the masses in keeping with the line and policies of the party and state, resolutions and regulations of the village party committee and people's committee and the management board of the cooperative which the people and cooperative members are to carry out.

2. The opinions and rights of each person are to be truly heard, respected, and used in running for election and electing our representatives to organs of state authority, to management boards and control boards of the cooperative, to executive committees of mass organizations, and in relieving those without qualifications in those organs and organizations according to the laws of the state and regulations of collective economic organizations and mass organizations.

Each villager and each cooperative member is responsible for fully carrying out his responsibilities and every duty and right of citizens according to the constitution and laws of the state and party policy.

Responsible agencies in the village and cooperative and upper echelons, which comprehensively resolve all problems regarding duties and rights and protect the life and property of the people and cooperative members must be fair and reasonable, without prejudice or abuse and without demanding gifts or bribes.

Every 6 months and annually, village people's committees and management boards of cooperatives must report its actions to the people and to cooperative members, and they must obtain opinions and respond to all motions and questions of the people and cooperative members.

Complaints of people and cooperative members must be resolved and answered as quickly as possible.

In economic relations of cooperatives with cooperative members and of state agencies with cooperatives and cooperative members, cooperative members must be truly equal and frank, and economic contracts that have been signed must be respected and correctly implemented. No ways or means must be employed that harm the interests of the people and cooperative members. He who has the obligation to pay must pay; he who has the debt must pay it.

3. Along with the state, mass organizations are representatives of the right of the masses to collective ownership, which must link the party with the masses. A firm governmental footage must be built up in organizations and improved in operational orientation. They must increase quality and effectiveness of efforts to fight against a working manner that is administrative and formalistic.

Under the leadership of the party committee and working with the village people's committee, mass organizations must show initiative in mobilizing the masses to formulate and implement rights programs, which is the task of collective ownership of the working people in villages and cooperatives, in the areas of politics, culture, society, peace and honor, and national defense. The Fatherland Front Committee, mass organizations, and people's committee of the village, based on the constitution, on the regulations above, and on the practical situation of the village, are to formulate specific programs and propose them for passage at village people's conferences, then popularize them widely so that each person understands and implements them.

C. Activating the Independent Role of Cooperatives, Eliminating Bureaucratic, Subsidized Centralization; Switching to Economic Accounting, Socialist Business

Agricultural, fishing, salt production, transportation, construction, marketing, and credit cooperatives in villages are socialist collective economic organizations, operating on the principle of the party leading, the people owning, and the state managing according to the regulations of each type of cooperative.

The party and the state will develop a temporary system leading to an official policy on assigning responsibility to installations for their own production and business, including cooperatives in the countryside. Here, emphasis is on a number of matters to be well implemented:

1. Production and business are to be according to plans and programs--plans and programs of cooperatives decided on by a congress of cooperative members based on set program zoning and the district plan and based on obligations to the state, requirements for re-production and expansion and improvement of the standard of living for cooperative members and the requirement for tying production to the market. Whatever is produced is distributed wherever it is most profitable as determined by the cooperative, as long as it is in keeping with party policy and state laws.

Cooperatives bear complete responsibility for their own finances and their own profits and losses in production and business. They have the right to obtain credit from the bank and mobilize the leisure of cooperative members, possibly with a higher profit to invest in production and business. Cooperatives have merely to pay taxes to the state and ensure equity in other economic relations, and both sides profit through economic contracts, with the purchase of agricultural products centralized by the state, and cooperatives selling to the state on that principle.

State agencies must respect the right of cooperatives to self-ownership in production and business, avoiding possessiveness and harassment, rejection, and damage to cooperatives.

2. Cooperatives must improve management and do good economic accounting, ensuring profitable production and business. Efforts that fail and are no longer successful must change direction. Bureaucy and subsidy must be eliminated, and a switch made to economic accounting and socialist business, perfecting the system of product contracting with labor groups and workers. Emphasis must be placed on setting economic and technical goals, reestablishing product costs, implementing a single, centralized price system, contracting by unit price and distributing according to value, accommodating the three profits, ensuring the interests of the state, increasing the profits of the collective, and attending to the legitimate interests of the worker.

3. Cooperatives are to strictly adhere to the goals set by the laws of state, and to the state and party line and policy and resolutions and decisions of the village party committee and people's committee on the situation and results of goal implementation.

4. Congresses are to be held among cooperative members on schedule. Annual and seasonal production and business plans, methods of organizing production and business, economic and technical production goals, contract unit prices, and accounting systems must all be discussed and decided on by the cooperative members or their representatives. Cooperative management boards must report results of implementing resolutions of cooperative

members and results of implementing production and business plans to cooperative members or to the congress of representatives of cooperative members and are subject to the inspection and control of cooperative members.

D. Upholding Management Capability of Village Authorities

Village authorities, consisting of the village people's council, people's committee, and committees for specialized assistance, elected by the people, for the service of the people, and subject to the inspection and control of the people, are the main tools for implementing the people's right to collective ownership.

Village authorities, especially the village people's committee, have the function of administrative, economic, and social management and are responsible to the party organization and authorities at higher levels for guiding efforts to implement the party line and policy, laws of the state, resolutions of the village party organization and party committee and for economic, cultural, and social development, peace and order, national defense, building the new countryside and the new socialism in their own village.

Carrying out the above functions during the period of switch in direction of economic management, village authorities must address to the following problems:

1. The village is an economic unit with a budget, a planning unit. The village plan must adhere to the district plan, becoming the basic planning level. The village people's committee must therefore get deeply involved in economic management; utilize every capability of labor, land, water, and occupations; guide formulation and implementation of near-term planning and programming--i.e., the 1986 plan and the plan to 1990--according to the common program and changes in the planning system; organize production development; improve management; closely join production cooperatives with marketing cooperatives and credit cooperatives in a pattern of agriculture, industry, trade, and credit developing production and business, with both the collective economy and family businesses enriching the village, cooperatives, and cooperative members, completing obligations to the state, and formulating and implementing the village budget.

There must be measures for improving non-socialist elements of the economy, managing markets, and controlling the market in the countryside.

Specialized assistance committees must be strengthened and streamlined, especially planning committees, finance committees, and labor committees. The chairman of the village people's committee has general responsibility for the work of the village people's committee and simultaneously heads the village planning committee.

2. Specific measures must be taken to manage labor and population, implement labor sharing and using labor in the interests of economic and cultural development and build the new countryside.

The expansion and effective use of land, forests, lakes, and rivers must be closely managed and guided. Instances of illegal seizure, exchange, sale, or use will be stopped and punished.

Public welfare projects must be set up in the village, completing the efforts to urbanize and put up tile roofs in the countryside.

3. The authorities must guide the development of cultural, educational, health, and sports efforts, build a civilized life, the new civilized family, and the new socialist man, and implement family planning to reduce the population growth rate. They must strive to eliminate all social evils.

4. They must guide security and national defense efforts; ensure enforcement of the constitution and the laws of the state in the locality; control, prevent, and punish unlawful behavior and promptly, and correctly resolve disputes among the people and complaints, accusations, and motions from the people. They must fight such bureaucratic behavior as harassment, arrogance, and oppression of the masses and corruption.

They must rely on mass organizations and the people to strengthen and build political power.

In order to help the village people's committee extend the state's administrative management to the citizen, every production unit is simultaneously a people's cell, with a people's cell leader and assistant cell leader, elected by the people in the cell for a term consecutive with that of the people's committee, who are responsible for transmitting, spreading, and supervising of all operational tasks of the village government. Cell leaders and cell leaders receive a subsidy from the village budget.

II. Increasing District-to-village Leadership, Guidance

The district echelon, particularly the district party committee and district people's committee, is the agency directly above the village. Putting the formula of the party leading, the working people owning, and the government managing into practice in the village and cooperative requires that the district committee and district people's committee increase leadership and guidance toward villages and cooperatives, with emphasis on the following:

They must Guide village formulation of overall projections and projections in a number of essential sectors, formulation of annual plans, linking the village plan with that of the district, and exploiting every capability of labor, land, water, and occupations. They must provide detailed guidance to the effort to renovate economic management, implement mechanisms to activate the right of the basic level to run its own production and business, and

reform the effort to organize planning. Plans must be formulated from the bottom up and consist of two mandatory goals--main products implemented (rice, pork) and taxes paid to the state. Other goals are guidance goals. Investments in villages and cooperatives are to increase to expand production and business, raise the standard of living in villages, and strive to meet socioeconomic goals set by the district.

They must closely guide efforts to strengthen and perfect new production relations in the countryside; guide the effort to change present circumstances of subsidy on the basic level, enabling cooperatives to switch over to economic accounting and socialist business; and, especially, provide detailed guidance to efforts to perfect the system of product contracting in agricultural cooperatives and mobilize establishment of the formula joining agriculture, industry, commerce, and credit, with emphasis on strengthening marketing cooperatives and credit cooperatives.

On the district level, they must guide combined and joint economic efforts between cooperatives and between cooperatives and state-operated installations and establish socioeconomic clusters.

With the help of sector committees in the city, they must decentralize socioeconomic management to villages with regard to work done by the village which is profitable and reasonable in order to develop the village's initiative and spirit of self-dependence and at the same time enable the village to perform its functions well and eliminate the system of centralized management, bureaucracy, and subsidy.

They must readjust village budgets to ensure that administrative and operational goals of the village are met in a spirit of conservation, not permitting a situation to exist in which cooperatives must "guarantee" administrative and operational goals of village authorities, as they must now, and districts invest production and business funds directly in cooperatives.

They must guide the establishment and strengthening of state-operated agricultural services in the district, especially crop and livestock services, for villages and cooperatives. They must guide techniques and management, resolve problems of capital, materials, and distribution of produce according to contracts that tie activities of these economic units with the basic level and end-product contracts. They must fight bureaucracy, possessiveness, and other shortcomings.

They must increase guidance of party-building, especially in weak, deficient villages, and building village party organizations that achieve high, solid standards. They must raise the quality of leadership in party chapters of production units.

They must systematically train and develop village and cooperative cadres. They must arrange for correct utilization of village and cooperative cadres and systematically develop them and comprehensively raise capabilities and

levels, especially in the areas of economic management, techniques, and professionalism.

They must increase inspection and control over villages and cooperatives, especially regarding economics and finance, impeding and punishing violations of principles and policies.

III. Organizing Implementation Guidance

Substantiating and implementing the formula of the party leading, the working people owning, and the state managing in the village and cooperative is a process tied to innovating the economic management system in the spirit of Resolution 8 of the Central Committee and Resolution 38 of the Municipal Party Committee.

Sector committees and party echelons, especially on the district level, must arrange for careful study of this resolution, then publicize it among cadres, party members, and the masses and guide implementation within their area of responsibility.

In the village, the party committee must use this resolution to guide the formulation of regulations of the party, government, and cooperatives and mass-ownership regulations, with emphasis on motivating cadres, party members, and the masses to participate in their formulation and implementation. Regulations regarding ownership by the working people are formulated by the Fatherland Front and mass organizations, sent out to production units for their opinion and contribution, and then submitted to the district People's Organ of Control and People's Court to be protected by law.

Each district will select one or two villages with which to gain initial experience, then expand to the other villages, along with implementing the provisional regulation of the city on developing the right of ownership of basic production and business installations in the countryside.

The agricultural board of the Municipal Party Committee, along with the organizational board and the mass agitation board of the Municipal Party Committee will help the standing committee of the Municipal Party Committee control and supervise implementation of this resolution.

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PARTY ACTIVITIES AND GOVERNMENT

HAIPHONG ISSUES TEMPORARY REGULATIONS ON AUTONOMY OF BASIC UNITS

Haiphong HAI PHONG in Vietnamese 25 Jan 86 pp 1, 4

[Article: "Temporary Regulations on the Management Mechanism Defining the Autonomy of Basic Units in Production and Business (Appended to Decision Number 36 of the Haiphong Municipal People's Committee dated 10 January 1986)"]

[Text] On 10 January 1986, the municipal people's committee issued a decision promulgating temporary regulations on the management mechanism defining the autonomy of basic units in production and business, the complete text of which follows:

Chapter I

General Regulations

1. The production-business plan must be formulated from the basic unit upward and be based on economic contracts. It must be closely tied to the availability of supplies and goods, to marketing contracts and must be assigned early and directly to the basic unit so that it can independently arrange for what it needs. The plan must be effective and immediately resolve the problems of the basic unit in order to yield returns in production and business.

2. Economic activities must be carried out through economic contracts. The two parties to a contract are equal and responsible to each other. Bonuses and penalties must apply to both parties and be fair and reasonable. Supplies, goods, fuel, electricity, water and so forth must be accurately weighed, counted or measured.

3. Basic units are autonomous from the standpoint of capital and may use as much cash as is necessary in production and business. Prices must be worked out promptly and in a manner consistent with production and business. Order must be restored in circulation and distribution between state-operated enterprises and cooperatives, between the sectors and the various levels, from the standpoint of both the organization of the network and the division of the market.

4. There must be close ties between the authority and responsibility, between the rights and obligations of the basic unit and the individual laborer. Economic accounting and socialist business practices must be carried out well in conjunction with taking steps to make basic units solid and strong in every respect. The conditions must be created for basic units to have direct access to supplies, capital, goods and the market and take the initiative in establishing joint businesses and economic ties and in marketing their products.

5. The principle of democratic centralism must be implemented through the mechanism "the party leads, the people exercise ownership, the state manages" in the production-business process and the standard of living of manual workers, civil servants and cooperative members must be improved.

6. The autonomy of basic units in production and business must be guaranteed. At the same time, it is necessary to define and strengthen the administrative and economic management functions of the state apparatus on the various levels, instruct and guide basic units in reorganizing their production and adopt, amend or refine procedures and policies in a manner consistent with the new mechanism.

Chapter II

The Autonomy of the Basic Unit

1. In formulating and implementing the plan.

for the purposes of these regulations, basic units are defined as enterprises, federated enterprises, federations of enterprises, corporations, federations of corporations, state farms, forestry sites, stations, farms, cooperatives, stores and so forth that practice independent cost accounting, have the status of an individual under the law and are under the management of the municipality. Basic units have autonomy in the following areas:

+ The plan of the basic unit is a unified production, technical, financial and social plan that is formulated by the basic unit itself on the basis of the four sources of materials, goods and energy embodied in economic contracts.

The state plan will only assign one to three legally binding norms to basic units:

--The value of product output or realized business revenues;

--The output of a number of primary products or goods under economic contracts;

--Budget revenues (production-business taxes).

The other norms will be directed in nature.

The municipality will assign to the basic units in communications-transportation, capital construction, agriculture and commerce legally binding norms as appropriate for each sector and trade. Basic production units that operate mainly on the basis of sources of materials and goods developed on their own will be assigned only one norm, a budget revenues norm.

- + The municipal people's committee will, through the municipal planning committee, directly assign plans to basic units (including the Association of Interbranch Handicraft Cooperatives and large cooperatives).
- + The municipal planning committee will discuss and reach agreement with the concerned services and the ward and district people's committees concerning the plans assigned to basic units.

During the 3rd quarter of each year, the municipal planning committee will issue instructions to the basic units, which will include specific information on the amount of materials, goods, energy and so forth that will be supplied by the state. On the basis of these instructions and once they have determined their economic-technical capabilities, units will independently formulate their own plans, plans that will take the form of economic contracts, and present them to the next higher level for examination and approval.

The upper level will mainly concern itself with approving that portion of the plan that pertains to products produced from materials and goods supplied by the state through economic contracts. The other portions of the plan are the complete responsibility of the basic unit and may not be imposed upon the basic unit by the upper level.

Legally binding norms must be assigned to basic units at the same time as basic units are informed of the amounts of materials and goods they will be receiving and who their customers are. This information must simultaneously be reported to the sector, ward and district. In the case of capital construction units, plans must be assigned on the basis of providing all the conditions needed by way of designs, prepared construction sites, materials and capital.

As regards basic agricultural units, production and supply plans must be assigned in time for the production season. The two-way contracts between the state and farmers must be respected. Basic units have the right, within the parameters of district zoning and planning, to select those sectors and trades that are most profitable.

- + Within small industry and the handicraft sector, the contract ordering of products will be reduced and the procurement of raw materials and sale of finished products expanded. Contracting and procurement agencies must sign long-term contracts with small industry and handicraft cooperatives that have a stable product line and long-term business licenses so that these basic units have the conditions needed to invest in technical advances.

- + Basic commerce units on all levels that want to place an order for the contract production of products that are governed by product quality regulations based on area standard or Vietnam standards must sign a contract through the production federation.
- + Basic production-business unit may expand their joint businesses and economic ties in order to develop sources of or sell on consignment materials outside those supplies by the state with the aim of meeting production and business needs. They may open addition stores to introduce, trade and repair products produced by the basic unit (selling strategic materials or goods on consignment requires permission from the municipal people's committee).
- + Agricultural, small industry and handicraft cooperatives and the people may use labor and land that are not being used and discarded materials to produce many new products and expand the household economy.
- + Contracts signed between basic production units and supply, service, transportation and other organizations must contain specific shipping and receiving terms (quantity, specifications, quality, prices and the time and place of shipment and delivery). Weighing and counting must be done correctly. The heads of those agencies that assign plans must personally approve the lists of principal products and goods; at the same time, they must allocate to the basic units the necessary primary materials, energy, transportation and services in accordance with above average ceilings on their consumption and assign legally binding norms to supply and service organizations to insure that the basic units receive these supplies and services.
- + The economic arbitration agencies on all levels must coordinate with planning agencies in observing, inspecting and assisting basic units in the fulfillment of contracts and must promptly act upon and rectify each violation of economic contracts.
- + In the process of implementing their plans, basic units can add to their plan and substitute one product for another to meet market needs provided that they still meet the legally binding plan norms on the value of product output realized and the revenues from production and business. Removing a primary product from production and substituting another product in its place requires approval from the upper level agency that directly assigned the unit its plan.
- + Henceforth, approving the basic unit's yearly settlement of accounts will become part of the regular work of the agencies that assign plans, statistical and finance agencies and other concerned agencies. Basic units must submit their reports on the results of the implementation of their plan on time and are fully accountable to the upper level and fully accountable under the law.

2. In the field of finance and credit:

- + The liquid capital that has been provided by the state to basic units will henceforth be considered capital acquired by basic units on their own. If, after 1 January 1986, their liquid capital needs rise, basic units may augment their self-acquired capital, if necessary, by borrowing money from the bank.

Newly established basic units will receive the majority of their initial liquid capital from the level I budget.

The amount of capital borrowed will be determined through negotiations between the basic unit and the bank based on the nature of the production and business of each basic unit.

Basic units have the authority to acquire capital from other sources and may borrow money from cadres, manual workers and civil servants at negotiated interest rates.

Basic units have the complete authority to make flexible use of the various types of capital and can open one or many accounts at a bank in any area of the municipality they choose.

- + Basic units may keep all capital accruing from basic depreciation and use it to maintain or upgrade their technology and invest in capital construction. That portion of this capital that cannot be fully utilized by the basic unit must be deposited in the bank.
- + The borrowing of liquid capital from the bank must be closely tied to plans for stockpiling and circulating materials and goods. Basic units in the export-import business may borrow 100 percent of the liquid capital they need, as determined by export-import procurement prices, from the bank in Vietnamese currency. In the case of a loss incurred under the plan, capital can still be borrowed from the bank while awaiting the payment of compensation for this loss from the budget. Units that use profits from imports to compensate for such losses on their own may take out a temporary loan from the bank so that they have operating capital to use until they acquire capital again.
- + In capital construction, the bank will provide credit on a priority basis to basic units for necessary projects, for coordinating, increasing the capacity of and utilizing the equipment and machinery of existing basic production-business units, for all types of fixed assets and for projects that support agriculture, the processing of agricultural, forest, marine and food products and projects that support the production of export and consumer goods.
- + The bank must introduce commercial money operations, use interest rates to encourage savings and efficiently utilize capital to promptly and fully meet the needs for cash in production and business on the basis of the cash revenues and expenditures plan and the emergency requirements of basic units.
- + With the consent of the bank, basic units that have cash revenues and expenditures may retain and use a portion of this cash.
- + The bank has the responsibility of setting reasonable interest rates on the various types of funds deposited by basic units in the bank and on bank loans to basic units.

- + The relationship between basic production-business units and the bank is a relationship between equal parties based on economic contracts, with bonuses and penalties that apply to both sides.
- + In the production-business process, the director of the basic unit is responsible under the law for the use of money. The bank will limit itself mainly to audits and not intervene too deeply in the operations of basic units.

3. In funding the budget.

- + Henceforth, all budget funding accounting will be called production-business tax and be calculated as a percentage of the total business revenues earned by the basic unit under its plan (this percentage can remain fixed for a few years if the basic unit is unable to make additional investments). Rates will be set on the basis of the nature of production and the type of products and goods being produced.
- + The profits of the basic unit are to be determined by subtracting total costs and production-business taxes from total business revenues realized (if total realized revenues are high, the basic unit's profits are high; if total realized revenues fall short of the plan, the basic unit earns little or no profit but must still pay the full production-business taxes required). The basic unit may transfer available profits to its various funds (including its trade costs fund).
- + The number of different taxes on collective production-business (small industry, handicraft and marketing cooperatives) is hereby reduced. With the exception of the commercial license tax, all business, income and sales (if any) taxes will henceforth be called the production-business tax. This production-business tax will be calculated as a percentage of the total business revenues earned under the plan by the basic unit and be based on the nature of production and the types of products or goods being produced.
- + In the case of new products, the municipal people's committee will reduce the rate of taxation by an appropriate amount for a period of 1 to 2 years if it is deemed necessary to encourage and develop their production.
- + In addition to the budget funding payments that they make to the subward or village as required under the regulations of the state and the municipal people's committee, cooperatives are not required to make any other contributions. Agencies and mass organizations are prohibited from demanding that cooperatives contribute funds beyond those required under regulations. Inspection groups must not cause an inconvenience to basic units.

4. In wages and bonuses.

- + The upper level will henceforth not approve wage funds. Basic units will formulate their own wage plans and register them with the bank so that they can withdraw cash to pay cadres, manual workers and civil servants. Wages must be compared to the standards of the state and social labor productivity within the same sector or trade.

+ Widespread use must be made of product contracts and business revenue contracts, both indirect and direct, in order to closely tie wages and bonuses to the final results of production and business. Basic units may, on the basis of their approved production-business plan, contract with teams, units and sales points and, depending upon the types of products and goods involved, with individuals. Complete project item contracts and general contractors must be utilized within the building sector, etc.

Determined efforts must be made to streamline the staff of indirect personnel and assistants once the function, task and staff needs of the basic unit have been defined.

+ The salaries of those cadres who specialize in party or mass organization work must henceforth be paid from the production-business wage fund.

+ The directors of basic units have the authority to select an appropriate method of paying wages and bonuses that provides incentive for higher labor productivity and product quality.

+ The director and party committee secretary of a basic unit who record outstanding achievements and are highly respected by the manual workers and civil servants of their unit can receive as high as double the highest bonus received by a worker.

5. In the production of export goods.

+ As an incentive, basic units that produce export goods are allowed to retain 15 to 20 percent more of their profits than are retained by units that produce domestically consumed goods.

+ Basic units that produce export goods have the authority to use and make payment in foreign currency in accordance with the regulations of the state on the use of foreign currency.

+ Basic units that earn foreign currency are permitted to open a foreign currency account and take out foreign currency loans at the Foreign Trade Bank.

--When they need to borrow foreign currency from a foreign country, basic units that produce export goods will be sponsored by the Foreign Trade Bank so that they can import materials and equipment to support the production of exports.

+ Basic units that use imported materials in their production are permitted, if these materials are not fully supplied by the state, to retain a portion of the primary products produced under their legally binding norm and those products produced over and above their plan to trade for that portion of the materials they need that were not provided by the state.

6. In prices and product marketing.

- + Materials supplied by the state are to be included in production costs at the directed prices of the state plus the costs of procurement, transportation and actual, reasonable losses.
- + Materials that are acquired by the basic unit itself are to be included in production costs at actual procurement prices, which must be prices which insure that the products produced from these materials are marketable, provide for the formation of capital for the state and earn a profit for the basic unit.
- + The production costs of each product must be determined at the basic unit and must be reasonable. To accomplish this, products must be produced under advanced economic-technical quotas that take into consideration the quality of products of the same type in both the central and local sectors, the state-operated and collective sectors, and be produced on the basis of the principles of earning a profit and producing products that are marketable.
- + In the case of products that are produced under legally binding norms using materials that are supplied mainly by the state, the basic unit must take the initiative in formulating a price plan and ascertain the opinions of the concerned agency so that it can defend this plan before the Price Review Board. The Price Review Board will determine the price after exchanging opinions with the basic unit.
- + In the case of products that are not on the list of primary products and are produced using materials obtained by the basic unit itself, the price at which these products are marketed is the price agreed upon by the basic unit and its customer as recorded in the contract or the acceptable social market price.
- + In the case of goods that are procured by the basic unit elsewhere, the marketing price is the negotiated procurement price recorded in the contract minus a reasonable commerce discount so that the price is acceptable to the social market.
- + If a basic unit produces a product in accordance with its plan and has signed a marketing contract for this product with a state-operated commerce organization but this organization is slow to pick up the products produced for it, thus causing the basic unit to incur losses, or the commerce sector does not market these products, the basic unit may sell these products to another customer and request that the other party pay the penalty stipulated in the economic contract.
- + Large retail units are permitted to receive goods directly from basic units in accordance with the distribution plan of the concerned agency and at retail prices determined by the authorized agency and minus the retail discount.

7. In organizing the apparatus and labor force of the basic unit.

- + The people's committees on the levels that are immediately above the basic units and the services, committees and sections of the specialized sectors that are directly subordinate to the municipal people's committee will serve

as the staff of the municipal people's committee in providing state management of basic units.

+ The directors of basic units have the complete authority to determine such matters as contracts, hiring, transfers within or outside the unit, promotions, grade and step increases, assignments to training, disciplinary action and administration action without the need for approval from the upper level as they apply to all cadres, manual workers and civil servants under their management, from the deputy directors of federations of enterprises and corporations downward.

A director of a basic unit who violates a procedure or policy of the state, a standard or an approved plan is to be held fully accountable to the upper level and under the law. The upper level has the authority to rescind incorrect decisions made by directors of basic units.

+ The directors of basic units have the authority to decide how to organize their production and business apparatus (member enterprises, offices, sections, shops, stores and so forth) so as to insure the proper completion of the assigned task.

+ In the immediate future, those basic units whose party organization has been recognized as a solid and strong party organization are to hold an election of the unit's director by manual workers and civil servants based on the principles of one person, one vote and a secret ballot. The people's committees on the various levels will subsequently issue decisions granting state recognition of election results.

In the case of basic units that do not elect their director, the director will continue to be nominated by the concerned service and the various committees of the party and appointed by the municipal people's committee.

At cooperatives within the collective economy, the election of the management board is to be carried out in accordance with cooperative statutes.

+ The directors of basic units must respect the right of manual workers and civil servants to quit their jobs or request a transfer as defined in the labor law of the state and the regulations of the municipal people's committee.

+ Basic units are to organize skill testing for the purpose of promoting manual workers and civil servants to a higher grade or step in accordance with established state standards, not on the basis of the amount of time spent in the current grade or step.

+ If, when restructuring their production, a surplus of labor occurs, basic units may expand their subsidiary production and let out work on contract to the families of manual workers and civil servants in one of many different ways in order to provide work to the unit's manual workers and civil servants and provide them with good living conditions.

If a basic unit has done everything possible but is still unable to provide work to all of its surplus labor, it must report to the level immediately above it so that efforts can be coordinated to transfer and redistribute this labor elsewhere in the sector or the municipality.

8. Organizing efforts to look after the living conditions of manual workers, civil servants and cooperative members.

+ Basic units must hold a conference of manual workers and civil servants (at state-operated basic units) or a congress of cooperative members (at basic units in the collective segment of the economy) to formulate a plan for developing welfare projects and endeavoring to increase their welfare funds, all on the basis of the legitimate income earned from production and business, with the aim of improving the material and spiritual lives of manual workers, civil servants and cooperative members. This plan must be balanced with production, technical and financial plans and be based on the overall plan of the basic unit.

+ Basic units must establish labor insurance funds for manual workers, civil servants and cooperative members as instructed by the Labor Service and the War Invalids and Social Welfare Service. At the same time, they must arrange for the purchase of the labor insurance of other laborers [as published].

Chapter III

Restructuring and Reorganizing Production, Strengthening the Combined Service, Production and Management Organizations of the Municipality

To be consistent with the new management mechanism, the following reorganizations will take place in the immediate future:

--Production federations will be established by economic-technical sector, such as the Federation of Shoe, Sandal and Rubber Enterprises, the Federation of Textile-Dyeing and Ready-Made Clothing Enterprises, the Federation of Shipbuilding and Repair Enterprises and a number of others.

--All enterprises that are members of corporations or production federations will, regardless of their circumstances, soon be put on an independent economic accounting basis and have the status of an individual under the law.

--The commerce corporations and Federation of Marketing Cooperatives will be strengthened. At the same time, the conditions will be created for stores to practice independent economic accounting.

--The production of the small industry and handicraft cooperatives will be restructured either by incorporating them in production federations by economic-technical sector within the state-operated segment of the economy or associations of interbranch cooperatives, such as the Association of Communication-Transportation Interbranch Cooperatives and the Association of Interbranch Building Cooperatives. All of these associations will be part of the municipal Association of Interbranch Small Industry and Handicraft Cooperatives.

--Small industry and handicraft cooperatives and teams that engage in the casting of iron, the casting of brass or shipbuilding will be disbanded and the establishment of similar cooperatives and teams will not be authorized if their existence is not consistent with the industrial development planning of the municipality.

--The nature of small industry and handicraft production teams will be clearly defined so that suitable procedures and policies can be adopted.

--The possibility of organizing agricultural cooperatives whose output is large as agro-industrial-commercial-credit cooperatives or as agro-industrial-commercial-credit federations will be studied.

--In conjunction with the establishment of production federations, the services will amend and improve their statutes and internal regulations to create favorable conditions for basic units to operate in a manner compatible with the new mechanism.

+ To assist the municipal people's committee in fulfilling its state management function on the local level, the services have the following tasks and authority:

- a) Guiding and assisting the basic production, business and work units, on the basis of the planning and plan of the municipality, in formulating planning and plans from the basic level upward and combining them to formulate the planning and plan of the sector and assisting the municipal people's committee in assigning plans directly to basic units while also assisting it in guiding basic units in implementing the plan assigned to them.
- b) Concretizing the positions, policies and directives of the party and state to be consistent with the local situation and presenting the results to the municipal people's committee for approval while guiding the basic units in implementation.
- c) Guiding the local application of technical advances by the various sectors.
- d) Participating in building the organizational system of the sector and guiding the implementation of the standards, policies and procedures concerning the elementary and advanced training of cadres and workers within the sector.
- e) Inspecting the implementation of positions and policies of the party and state and the regulations and directives of the municipal people's committee that pertain to the various sectors; organizing efforts to learn from experience in order to publicize ways to correct mistakes in implementation.

To fulfill the above functions and tasks well, the services must be strengthened along the following lines: they must become streamlined and efficient, reduce the number of intermediary levels and the size of their staff and assign additional competent cadres to the basic units.

--The supply corporations of the municipality, sectors, wards and districts must shift the focus of their operations to doing business in supplies and goods so that they can augment their sources with items not provided by the state. They may borrow foreign currency to import necessary materials to sell to basic production-business units.

--The combined management agencies of the municipality, the Planning Committee, the Finance Service, the municipal bank, the Price Committee, the Organization Department of the administration, the Municipal Statistical Department and so forth, must closely coordinate with the services to assist and create the conditions for the basic units to achieve autonomy in production and business.

Chapter IV

Articles of Enforcement

These temporary regulations apply to all basic production-business units within the state-operated and collective segments of the economy as of 10 January 1986.

The combined management sectors, the services and the ward and district people's committees are responsible for issuing instructions on and creating the conditions for the effective implementation of these regulations.

Service and production agencies and the enterprises of the central level located within the locality must apply these regulations well. They must also establish close relations with the sectors and basic units of the locality in order to adopt plans for providing practical and effective assistance. Problems that arise during implementation must be reported to the concerned ministry and the municipal people's committee for action.

The municipal people's committee has selected the following basic units as the sites of pilot projects in guiding the implementation of these regulations:

1. The Leather Shoe Enterprise
2. The Tan Long Casting Enterprise
3. The Dong Tien Paper Enterprise
4. The Cake and Candy Enterprise
5. The Housing Construction Corporation
6. The Toan Thang Machine Enterprise (Le Chan Ward)
7. The Urban Sanitation Corporation
8. The Bus Enterprise
9. The Agricultural and Food Products Corporation (the Commerce Service)
10. The General Business Corporation (the Municipal Federation of Marketing Cooperatives)
11. The Agricultural Products and Food Store of Le Chan Ward
12. The Tran Quang Khai Agricultural Products and Food Store (the Commerce Service)
13. An Hai District
14. The Nam Son Cooperative (An Hai District)
15. The Dong Son Cooperative (Thuy Nguyen)

16. The Tam Da Cooperative (Vinh Bao)
17. The Thanh To State Farm

In the process of implementing these regulations, all levels, sectors and units must learn from experience and promptly offer their opinions to the municipal party committee and the municipal people's committee so that these regulations can be appropriately amended and revised.

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PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

HANOI CRITICISM DRIVE--The Hanoi Party Committee launched a drive for criticism and self-criticism from April to June. Various sectors such as planning, finance, banking, communications and transportation, trade, and public security force have assessed their strengths and weaknesses during the drive to find measures to improve their capabilities to implement various resolutions of the CPV. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 6 Apr 86 BK] /12913

YOUTH CREATIVITY CONTEST CONCLUDED--The competition for creativity among youths and children of the capital has concluded after 18 successful days. Attending the closing function were Le Quang Dao, secretary of the CPV Central Committee; Vo Nguyen Giap, member of the CPV Central Committee and vice chairman of the Council of Ministers; Vu Mao, member of the CPV Central Committee and first secretary of the Ho Chi Minh Communist Youth Union [HCMCYU] Central Committee, and representatives of the Municipal Party and People's Committees. The organizing committee has received almost 300 topics sent in by 107 grass-roots units of the HCMCYU from industrial, construction, communications, education, trade, and agricultural sectors. Fifty topics were classified as Grade A in this competition. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 7 Apr BK] /12913

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AGRICULTURE

BRIEFS

HANOI 10TH-MONTH RICE--Hanoi is expected to plant 64,000-67,000 hectares of 10th-month rice this year with an average yield of 30 quintals per hectare. The municipality is striving consistently to provide sufficient rice varieties and fertilizers to localities to fulfill this plan norm, while the water conservancy sector is making preparations to cope with possible drought and waterlogging. Various outlying districts were also striving to increase their agricultural production output during the winter-spring crops. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 7 Apr 86 BK] /12913

KIEN GIANG RICE CROP--As of late March, Kien Giang province had harvested 38,000 hectares of winter-spring rice, achieving 81.5 percent of its plan norm for this crop or 6,560 hectares more than the previous crop. The province has also plowed 28,000 hectares of ricefield for the summer-fall crop. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 8 Apr 86 BK] /12913

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HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

SWEDISH AID FOR BAI BANG--The Swedish International Development Agency [SIDA] appropriated 120 million kronor for forestry work related to the Bai Bang project over the next four years. This was decided by the executive board during a meeting on Wednesday [9 April]. "We are convinced that improvements have taken place for the forestry workers, and that a continued Swedish presence is a guarantee that the improvements will continue," said Carl Tham, Director of SIDA. Following reports of forced labor and poor working conditions for forestry laborers--most of whom are young women--Sweden last year stipulated that the situation would have to improve before aid would continue. [Text] [Stockholm DAGENS NYHETER in Swedish 10 Apr 86 p 8] /12913

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TRANSPORTATION AND COMMUNICATIONS

BRIEFS

HANOI PORT UPGRADED--The Port of Hanoi has been opened to 1,000-ton freighters from the mouth of the Lach Giang river in Ha Nam Ninh province along the Ninh Co river and the Red river, the Vietnamese news agency, VNA, said. VNA said more than 600,000 cubic meters of silt was being dredged from the riverbed along the route to a depth of 3.3 metres. Hanoi port could only handle 400-ton freighters before, Vietnam's Union of River Transport Enterprises said. [Text] [Kuala Lumpur BUSINESS TIMES in English 27 Mar 86 p 9] /13104

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